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In for a storm: a crisis on the way

Historical forecasts are usually wrong, Marxism-inspired ones no exception.

Still, everybody organises his life according to some vision he has of a possible future. That vision can be implicit, but it plays a part in the way each of us leads his existence or lets himself be led by events. We often hear friends say it's impossible or pointless to form any idea about a foreseeable future because the world is too confused or confusing: but this also is an idea about the world. Better be conscious of one's point of view, and make this vision explicit and as well-founded as can be.

This is what this essay is aiming at. It can be read as a follow-up to *Whither the World?*: our 2002 text was more retrospective, the present one wishes to be prospective. First, let's go back in time a little.

Capitalism, past and present

With the Renaissance, and even more with the Industrial Revolution, came a historical novelty. As money bought productive labour and accumulated in the form of capital, from then on, the course of history was determined not just by the need to manufacture and sell, not just to make a minority rich nor to develop an

industrial infrastructure, but to turn as much money as possible into capital. "Accumulate, accumulate! That is Moses and the prophets !": this entails overaccumulation in the forms of overinvestment, overproduction, therefore selling not enough or below production costs, accumulating too much in respect to the balance between the various factors of production, and especially in respect to labour, the supply of which periodically exceeds demand. This also goes together with permanent increases in labour productivity, and with the plasticity of a system that prefers democracy, but derives its strength from its adaptability to nearly all brands of ideology and leadership.

In previous exploitation systems, once the exploited had given his due in labour, in tax or in kind, he spent his life separate from his lord and from the merchant.
Capital *buys* what it exploits: even a starvation wage puts the worker in a forced couple with the bourgeois. In the past, wealth was turned into pyramids, palaces, cathedrals or Palladian villas. Today's super-rich of course treat themselves to Rolls Royces and private islands off Dubai. But valorisation forces capital to sell more and more, which includes selling to the workers. In spite of his miserable purchasing power, the Birmingham or Brussels 1850 slum-dweller was already caught in a

monetary and merchant cycle that was unknown to the slave, the serf, the self-employed craftsman, the tenant farmer or the small-holder peasant.

For the first time, the heart of the exploitation system is made of the interplay of its two main constituents: those who own capital, and those who must sell their labour power to the former group. Capitalism is a social relation between the two classes that structure it: as long as these classes accept it, the contradiction that is its foundation and its driving force can be overcome, needless to say through crises and catastrophes.

The aim of the bourgeois is indeed accumulation, but even more the perpetuation of the bourgeois as a class: those two imperatives do not always coincide. Before 1914, one third of French wealth was invested abroad, not just to reap higher profits, but to keep away from a working class that had rebelled in the 1830s, in 1848, in 1871, and to restrict a potentially dangerous industrial growth. Capitalist rulers aren't the agents of an irresistible and constant "development of the productive forces". It even happens that in order to maintain their domination, some bourgeois rally most of their class behind a political faction (the Nazis for example) that not only threatens the political power of the bourgeois, but

also their assets and their survival as a class. Profit remains the basic goal, but the means to get it may contradict the goal.

Therefore, no characteristic capitalist feature, however essential, be it free competition, money and labour mobility, the worldwide opening of markets, or any other element typical of globalisation, possesses a dynamic of its own. The competition between firms (i.e. value poles each in search of its own growth), the profit motive, the expansion of the markets, the constitution of a class whose members privately (and not collectively as in "State capitalism") control the means of production, all these features are indeed essential to capitalism, but they only become real in so far as they're taken on by individuals and groups. Capitalism is the conflictual interrelation between two sets of human beings, the bourgeois and the proletarians, and that relationship determines, promotes, delays or blocks the emergence and functioning of the main features of capitalism.

Neither the individual bourgeois nor the bourgeoisie of a country care about capitalism in general, or about its conformity with its basic definition. Their prime concern is their own individual interest, and in troubled times they'll favour the short over the long term. When they enjoyed Nazi law and order, German industrialists could

not (and did not wish to) imagine that such an order would result in a military defeat that deprived the East German bourgeois of social function and political power for forty-five years.

Deep inner capitalist logic (economic and therefore - up to a point - political competition, valorisation, accumulation) eventually prevails in the long run, but that run can indeed be quite long and follow a tortuous unexpected path. Since classical economists and their socialist and communist critics analysed the general "laws" of capitalism, the times and places directly or totally governed by these laws have been and still are far from being the majority.

In the beginning, industry, commodity and the wage system come to rule a society which has been moulded by thousands of years. Later, they determine a society that they tend to reproduce according to their own norms: the landed class is integrated into the bourgeoisie, the military turns into a profession, politics into business, culture into spectacle. These long-term trends are ever more powerful, but never fully completed. In the 19th century, capital faced a society as it was, and transformed it. Now it has transformed it, but it never creates anything out of nothing: it always has to deal with what Bordiga called "race and nation factors".

In the "unpublished 6th chapter of *Capital*" (part of his 1861-65 manuscripts), Marx distinguishes between capital's **formal** domination, based on the lengthening of the work day and the extensive exploitation of labour, and **real** domination, based on shorter but more intensive working hours. That distinction does not separate two historical periods, as if reformism had been inevitable in the first stage, and revolution was at long last on the agenda in the second. There will never be a "pure" enough situation where capital and proletariat would come face to face as sole competitors on the historical stage, the only alternative being between capitalism and communism. The Weimar Republic lived under real domination: Berlin's huge department stores, cultural explosion, critique of moral standards and media empires rivalled with London and New York modernity, while reactionary groups and *Völkisch* ideas thrived. After 1930, that society fell into the Nazi black hole. Formal and real submission of labour combine. Downtown Paris, nowadays, a minute's walk is enough to meet Pakistani or Tamil workers (often clandestine) paid (piecework or by the hour) by clothes wholesalers, next to small firm wage earners, workers employed by construction multinationals, and a few blocks further business consultants who fly to Zurich or Tokyo every week. Formal domination is not a remnant that has to be

disposed of for capital to fully mature, but a component of real domination. German economic power is not just based on big corporations, but on a tight network of small efficient firms. In the whole world, subcontracting enables "modern" companies to stay profitable by having manufacturing done overseas where labour is cheap. Part of the strength of capital comes from its employing *semi*-proletarians, completely dominated by capital but incompletely involved in it: as their wage is not their only source of income, capital only has to pay part of the reproduction of their labour power. However, real domination capitalism needs to structure the whole of society, including the "backward" elements it carries along. Therefore social critique is only relevant if it encompasses the whole of social activity, and does not limit itself to class factors. For us, analysing religion, eating habits and justice matters as much as analysing strikes and riots, even if the latter determine the former, and not the other way round. That's what the SI meant with its *unitary critique*: the mutual capital/labour involvement bears upon every domain of human activity.

The extent to which capitalism makes the world go round

In the heart of Africa as in the old European and North American centres, not only has capitalism no need for everything to be capitalist, but it needs everything *not to become capitalist*. It's got to have social behaviour, sets of norms, legal rights and respected values to temper (and consolidate) the rule of money and profit. If it ever existed, a purely utilitarian world where everyone anywhere any time would only look for his own personal gain measured in dollars or yen, would make social life and the continuity of firms impossible. (This is one of the limits of globalisation: we'll come back to it.) Capitalism inherits the assets and contradictions of the millenniums that preceded it, it does away with some and transforms others, it reproduces them in its own way, but rarely suppresses them, as is shown by the fate of family and religion.

Why doesn't capitalist domination create a society only made up of bourgeois and proletarians? Why doesn't it eliminate every non-merchant tie and ideal? Not because that system has not (yet) conquered the whole planet. Exact opposite. It's for two reasons that result from a

conquest which started in the 16th century and was completed in the 20th. First, capital never arrives on a*tabula rasa*. It does not produce itself: it uses human resources laden with history. Even in North America where it made a clean sweep through genocide, it imported complex and strife-ridden European realities. Secondly, even the country that goes the furthest in turning everything into commodity and wage labour, in reducing family, school, feeling, sex, ideas, art and politics to money relations, and which likes to think of itself as liberated from archaic constraints and tensions, periodically goes back to supposedly outmoded practices: it restricts free competition, infringes on parliamentary and civil rights, puts a clampdown on strikes and collective bargaining, and reinvents protectionism. These backlashes are a *modern* effect of the reality that's come to be central to our societies: the labour-capital connection, and the necessity for capital to master labour, in forms that are never definitive.

"Contradiction is no impossibility" (Marx)

There's always more than one single solution to a historical contradiction. No cause determines one effect and one only. Any big capitalist crisis is solved by creating

better valorisation and accumulation conditions, but every phase provides a range of "better" conditions, the selection of which depends on the power play in the field, not on some calculation of a theoretical optimal social balance.

No big capitalist reform is pre-determined. Keynes' outward-looking and democratic answer to the Depression outplayed rival options in countries where social forces (for example, the CIO in the US) were able to make it the most suitable policy. In other countries, 1929 resulted in authoritarian, closed-in and repressive solutions, some of which lasted a long while. In 1930, few observers foresaw that the Keynesian outcome would prevail in (half of) the industrial countries twenty years later. Many of those who realised the limits of private entrepreneurship also argued in favour of tariff-protected self-contained national systems, each gathering a group of countries under its military might, in the form of the existing British or French colonial empires, or of a future German continental empire. Theory can identify the elements that lead to a crisis, its general nature, not the time and place of its possible unravelling, nor the answer(s) that will be imposed.

Why did quite a few countries - 32 in 1975 -adopt (and some of them for decades) a "bureaucratic" way that went against a large part of capitalist logic? Certainly not to achieve a more efficient capitalism, but because the real conditions of class confrontation led to such a way. In the 1950s, contrary to *Socialisme ou Barbarie* (and a now lionised Castoriadis) which saw bureaucratisation as the future of capitalism, Bordiga understood the historical dead-end of that system, and knew Russia would be reabsorbed by merchant mechanisms that the Stalinists thought they had mastered or eliminated. But thirty more years elapsed before the final downfall, and nobody could have told in 1970 how the USSR would crumble. When the system became *socially* unproductive, Russia and China reacted in very different ways and up to now, instead of addressing its contradictions, North Korea has put the lid on them, and so far is managing to soldier on.

The same is true of Western capitalism. No objective contradiction can ruin it, and globalisation will go on as long as no revolutionary or reforming force questions it. This essay won't be the umpteenth variation on the final crisis.

Capitalism is not a one-way street

The consumer society as it was born in the US from the 1920s onwards and blossomed in all "rich" countries after 1945 is certainly adequate to the deep logic of capitalism, but Victorian businessmen thrived without it, and the ascent of Stalinist capitalism also managed without. In the aftermath of the Depression, labour was integrated into capital by different (and opposed) means: a racist nationalist dictatorship, a democratic New Deal, Popular Fronts, etc. The wide range of these forms, yesterday as today, suggests that there's no irreversible march towards an ever more capitalist capitalism.
As long as the mutual interaction of the English workers and bourgeois allowed the former to make ends meet and the latter to make profits, through extended hours, low-paid women and children, arbitrary hiring and firing and the exhaustion of the work force, the system had no need to change. When, after decades of struggle, organised labour got higher wages and a minimum of rights, the bourgeois invested in more machines, stopped employing children, and began to develop the selling of more and more articles to larger and larger masses. However, after 1918, deluded by its victory over Germany, losing momentum in front of US competition and unsettled by worker militancy, the English

bourgeoisie chose to give precedence to finance over industry, to try and put the pound back on the gold standard at the pre-1914 rate, and to lower workers' wages (miners', especially). Its successive triumphs over the working class, after 1918, in 1926 against the General Strike, and in 1930-31 against the first (quite moderate) Labour government, were a Pyrrhic victory, a consequence of which was to lower popular consumption and delay Britain's entry into "modern" capitalism. The 1930s and the advent of Fordism remind us that historical twists and turns do not happen under the pressure of general "laws", but because of the interplay of real forces, led by the most dynamic sectors of the bourgeoisie and the working class.

What's true between classes also applies to inter-State relations. Foreign investment was high in the 1871-1914 period, as it is now. Technical innovations modifying the social fabric were as numerous and far-reaching as the digital revolution now. A major difference is that, today, some emerging countries stand as rivals of the great powers, because they have more than raw materials and cheap labour: they also benefit from a robust productive infrastructure and a highly skilled labour force. Last but not least, they (China and India at least) have strong independent national States. Before 1914, only Japan

had reached that level. All the same, some historians describe 1871-1914 as the *first* globalisation. Whatever we think of such a retrospective concept, it has the merit to emphasize that nothing lasts forever. After 1914-18, no country went backward technically, nobody gave up electricity for steam, the factory system for cottage industry, or replaced the telephone by pigeon post, but there was indeed a social and political regression: a breakdown in international trade and a withdrawal behind national barriers, or even autarky and barter, which lasted three decades and corresponded to what has been called the Thirty Year European Civil War. After 1945, one might have thought that this withdrawal was over. Still, in 1989, though the Iron Curtain was never watertight, and always allowed for exchange, especially in the last days of the Comecon, a billion and a half human beings were cut off from the world market. If we take into account important countries like India or Turkey, with a State-controlled and protected economy, and large masses in Africa and Asia, most earthlings lived outside the international flows of goods, money and labour. Globalisation is said to have put an end once and for all to these historical parentheses. Well, these parentheses have often turned out to be long and historically powerful. No one will deny the appeal of fascism and Stalinism. So these periods must have been

more than mere intervals before history took or resumed its "normal" course. We'd be naïve to exclude the possibility of other future phenomena that will be capitalist indeed but non-typically capitalist.

1929: the problem and its solution

Profits were high in the "roaring twenties", but without the context that would have enabled them to be the means of an enlarged reproduction. The recently introduced mass production lacked a corresponding mass consumption, which would have needed a pay rise (not just at Ford's but in many other firms and sectors), which itself could not occur without some recognition of the part played by labour, and of the part of the unions as a stabilising factor. Henry Ford was a technical innovator *and* a social reactionary, as shown by his militant anti-Semitism and his fondness for Hitler. He only gave up union-bashing when the unskilled workers' sit-down strikes forced him to.

Until 1929, and in the years that followed, capital went into speculation because it lacked profitability. Once the Depression was there to stay, it was managed in the same narrow class attitude: a further contraction of the wage packet, a drop in production, and monetary deflation. Many factories were run part time and part

pay. 1929 broke out in the stock market and banking spheres, and then took the forms of overproduction, lower prices, wages and production levels, but its ultimate cause lay in an excessively unequal sharing-out between capital and labour, paradoxically aggravated by the ability of a minority of workers to resist the lowering of their wages.

After 1917, from Budapest to Seattle, the bourgeoisie contained the proletarian push, and managed to isolate a Russian revolution that died of becoming nothing but political power over a society it did not communise. But Western bourgeoisies did not exploit their victory to reshape either society or the relations between European States: reactionary politics in France and Britain in the 1920s and after 1929; utter resistance to moderate demands, fallback on the farmers at home and on overseas colonies; priority given to finance and currency over industrial competitiveness; US isolationism; failure of the League of Nations which the Americans had left just after they'd launched it; agonizing indecision of the Weimar Republic torn between a conservative (or nationalist) bourgeoisie and a social-democracy unable to promote the class conciliation that was its programme. On both sides of the Atlantic, opposed yet converging forces combined to

prevent a system from reforming itself, while exacerbating it financially and technically. It's in Germany that the contradiction was to be the most devastating: out of prestigious universities would come engineers as technically brilliant as convinced of the necessity to eliminate the Jews from Europe. Instead of mass-producing millions of medical pills or plastic toys, one of the world's most advanced chemical industries was to manufacture Zyklon B.

Keynes had understood that the preference of the rich for "liquidities", hoarding, or speculating, meant insufficient consumption and investment. (We'll see a similar phenomenon with "excessive" saving in China, and outrageous upper class income in the West.) He realised that capital has to take into account the double link between wage and consumption, and between profit and investment. He was bringing out the unreachable and indispensable (im)balance between the ability (and propensity) to consume and the valorisation of capital, in order to avoid the breaking point when production and sales, however massive, fail to create enough value.

Keynesianism acted at the crossroads. It pushed capital into treating labour as a cost *and* as an investment, and thus speeded up the transition to full "real" domination. It's no accident that Keynes first became known by his

critique of the Versailles Treaty. The victors of 1918, France in particular, intoxicated by a military success which was no proof of the superiority of the French and British empires over German industrial might, hoped to bring Germany to its knees, as if bayonets were enough to recompose post-war Europe. Keynesianism derived its strength from a global vision that was as much geopolitical as socio-economic.

After 1968: the half-solution

One characteristic of the 1960-80 subversive wave is that, in spite of uprisings that caused thousands of deaths in countries as varied as Mexico, Argentina and China, in the capitalist heartland, in North America, in Europe and Japan, the proletarian assault, unlike 1917-21, restrained itself, and the bourgeoisie reacted accordingly. The last insurrection that shook Europe took place in Hungary, 1956, and massive workers' involvement did not prevent it from being democratic and national. The meaning of an historical event can't be assessed by the number of barricades. But there was such a gap between the scope of the 1960-80 surge and its relatively low level of violence (and armed violence) that we've got to take that gap into account to understand that period as well as the present situation.

The self-limitation of the social conflagration of the 1970s, on the proletarian as on the bourgeois side, is one of the causes of the crisis of Fordism and of the incapacity of both classes to overcome that crisis: the existing class compromise was not questioned deep enough for a new one to emerge, and the ensuing bourgeois offensive has destroyed more than rebuilt.
In the days of formal domination, in order to restore its profit rates, capital could content itself with attacking jobs and wages, because that attack hardly undermined social cohesion. Exploitation did not go much outside the factory gates, the "dangerous classes" remained a minority, still connected to old ways of life, often related to the countryside, and popular consumption was marginal. So it made sense to solve the social question by a combination of repression and concessions.

The (never fully achieved) generalisation of wage labour and an also generalised consumption have brought about a new system. Capital requires the wage earner to be more than the consumer H. Ford wanted him to be: it expects him to act as partner.

As a consequence, a head-on confrontation with the working class, i.e. de-industrialisation, the dismantling of the socialising function of the big factory, leads to social

disintegration, until alternative forms of socialisation come to life.

Subcontracting the manufacturing process overseas may well do for a hundred or a thousand companies, but can't function on a world scale. Though only applied to a minority of firms, Fordism had such an impetus that it was relevant as a global solution. Capital's now favourite way cannot be generalised. Up to the 1980s, "modern" capitalism reserved plundering to dominate overseas countries. True, Nazism treated the East of Europe as a colonial area doomed to overexploitation and mass murder: but the Nazis were eventually defeated. It's now within capitalist metropolises that plundering becomes a habit: labour is plundered by capital, firms by other firms, industry by finance.

This altogether transforms reformism. The present class struggle lacks the energy to take on social relations as a whole. Leftwing parties swing to the right, unions vainly try to defend declining working conditions and wages, and the far-left fails to come forward as a credible alternative: nowhere has the "anti-liberalism" and anti-globalisation camp been able to find a following comparable to social-democrats or Stalinists in their early days. From the French December 1995 strikes to the popular support behind Chavez, political forces tend to

build up a new regulation that they are incapable of imposing. No reform party now has the strength to give itself a grip on history.

What globalisation was aiming at

To overcome its own crisis, "market capitalism" took advantage of the failure of "State capitalism". In fact, the bureaucratic system did not crumble because it could not resist a growing lust for freedom or keep up with the arms escalation forced upon it by Reagan's "Star Wars" programme. Oppression was worse under Stalin, and the regime had proved in 1939-45 its ability to mass produce good quality armaments. State capitalism fell because of its incapacity to maintain the twofold compromise which was its cornerstone. In return for political submission, the workers enjoyed job protection, and social benefits inferior to most Western standards but superior to what they'd been in 1900 or 1930. Though deprived of property rights over land (except on a private plot which they cherished and which often was their main source of income), kolkhoz members were assured of working little and of eating, which had not been the case in 1921 or 1930. The inability of the USSR to redirect an economy based on heavy goods towards consumer goods did not come from technical defects, nor lack of information or

will, but from a knot of relations and contradictions that had held the country together for several decades, and had hardened to the point of becoming impossible to untie.

In the West, the Fordist and Keynesian compromise is still here, but empty of most of the factors that made it real before.

There is no technological determinism. The steam engine did not cause early 19th capitalism, any more than the dynamo and the internal combustion engine caused the early 20th century capitalism. For Taylor and the assembly line to triumph, it took more than experts and investors: it took a certain labour-capital coupling. Taylorism-Fordism provided a social problem with a social solution that only matured dozens of years after the first experiments at Ford's. The electric engine, the motor car and aircraft technology existed in the 1920s, but weren't enough to implement a social breakthrough. It's only in the 1940s and 1950s that cars became common in US households, and in the 1960s in Europe.

Likewise, it's not the microchip that made present globalisation possible, it's a historical situation: the social strife of 1960-1980.

A social class follows its course to the logical possibilities that are left to it by its rivals/partners. In the 1970s, the workers knew damned well that the pay rises won by militant action were soon to be caught up by inflation, and that the bettering of their work conditions on the shop floor would result in robotisation, work intensification and unemployment. That awareness did not deter them from striking: it strengthened their determination to strike, even if more demands, in the absence of a revolutionary break, led to a historical dead-end that could only turn to their disadvantage.

Once the struggle ran out of steam and the initiative went over to capital, nothing stopped the counter-offensive: the bourgeois made the most of their victory, at the risk of damaging the "couple" relationship that conditions their existence.

Capitalists did not deregulate, privatise, lower social benefits, financiarise the economy, open up markets and increase foreign investment, because they had realised by 1980 that they would earn more if they did so. The question is why they reached a point when they were earning less, and how they found a way to earn more. Keynesianism had served their interests well. (That is why an army of economists described it in 1960 as the best solution to an "industrial society" that they said had

gone beyond the ills of old-style capitalism, just like today a new generation of academics describe the erosion of Keynesianism-Fordism as the inevitable side-effect of a "post-industrial society" that's supposed to be as everlasting as the one it is said to have replaced.) The bulk of the Fordist compromise was rejected when it ceased to be socially profitable, under the pressure of worker demands and the questioning of management power on the shop floor.

After 1945, the introduction of State regulation, of controls over capital flows, of the German coupling of bank and industry, of some co-management of large companies by bosses and union leaders, guaranteed by Law and therefore by the State, was not only caused by the need for capital to protect itself against cross-border financial contagion, but also by worker pressure. In countries as different as France and the US, organised labour relied on the State as an intermediary that could defend labour rights against capital. One of the objectives of liberalisation, after 1980, was to do away with this protective national framework: the strongest English union will always be less influential in Brussels than in London. The defeat of "workers' strongholds" implied the demise of their power base within State arbitration and conciliation bodies.

Trans-nationalisation is the specific form of the bourgeois counteroffensive launched around 1980. Globalisation is *not* the world expansion of capital and labour: that started with the Great Discoveries of the 15th-16th centuries and was speeded up in the 19th. Present globalisation is a particular social reorganisation. There lies the difference with the "first" one, the pre-1914 one. The arrival, on a more open and unifying world market, of the Asian *tigers* and *dragons*, of ex-bureaucratic capitalisms, of India, of other Asian countries, that are all richer in labour than capital, results in a world surplus of labour in relation to capital, i.e. in a labour supply far exceeding demand, therefore a diminished cost of a commodity that capital has now difficulty to buying cheap.

The old capitalist metropolises' strategy has been to promote new, mobile, docile and often well paid strata that operate new technologies; to reduce the number of State employees and protected jobs; and above all to decompose the working class (defined and self-defining by something positive: work) into an unorganised addition of casual workers and part-timers (who are recognised and identify themselves by something negative: the lack of a stable job).

What the new international division of labour has not solved

The proletarian was long treated as an irreconcilable enemy, then as a partner in conflict: he now appears to non-exist.

If human labour is now inessential or immaterial, i.e. indiscernible, and if we live in a knowledge economy, as we're told every day, the advertising agent who invents a slogan as he showers, or the executive who's laptopping in a taxi, definitely create a lot more value than the machine operator, the lorry-driver or the warehouseman, whose functions must be automated as soon and as much as possible. Productive acts become elusive, and the materiality of manufacturing seems to vanish. The 1850 worker was looked down upon, the 2000 worker is invisible.

Western Europe did not replace hundreds of thousands of dockers by container-handling technicians only for reasons of cost, and it did not get rid of most coalmines because the seams were running out, but first of all because these sectors were favourable to organised concentrated labour, in strategic spots that put the workers in a position of strength. "Who runs the

country?", as the English media and bosses used to say in the mid-1970s: the government or the strikers? Thatcherism was to give a definitive (or longstanding, at least) answer to that question when it crushed the miners' strike ten years later. De-industrialisation was not caused by the intrinsic superiority of the "computer revolution", but by the necessity to do away with worker unrest.

At the time when work was starting to weigh more heavily on our lives, when schools were forced to train for jobs, when clerical tasks were reorganised according to productivity norms that used to apply only to manual tasks, worker activity properly speaking was denigrated, and whenever possible transferred to Rumania, Mauritius, Indonesia, later to China.

Capital tends to treat man as an appendix of the machine, but if it succeeds too well, capital dysfunctions. The proletarian is only profitable when he's left some margin of autonomy. He *is* not a labour power: he *sells* it, and that sale implies a minimum of freedom, the freedom of the owner of a commodity, even if the item he sells is his body and brain. Hard labour has little economic profitability: even with good food and no mistreatment, the Gulag and Lao Gai are more punitive institutions than workplaces. The contemporary firm

denies this freedom: when the job interviewer asks the applicant about his leisure time and expects socialising and dynamic activities that prepare the future worker to fit in a team, he reduces the worker's personality to a productive factor. The modern wage earner must not only be good at his job, he must also be good as selling himself.

Merchant society, however, can't turn everything into a commodity. Human beings are not rational calculators each seeking his own advantage measured in money. Gift (a transfer without expected quantified compensation) has a role to play in societies ruled by commodity exchange. A wage earner does not simply spend about 40+ hours a week in a firm in exchange for his wage. The essential is how he is part of the firm: how he was hired and how he works, what relations he has with his mates, with the management, and how he can modify these relations. That relationship is collective. Contrary to what we're led to believe, nobody sells his labour power on his own, and no boss buys it alone either. Thatcher's *There's no such thing as society* was a provocative slogan useful in the dismantling of working class sociability, but damaging in the long run. Wage labour is built up by the whole social link. There is a limit to capital's treating the proletarian as a mere individual.

In self-proclaimed developed countries that try to free themselves of cumbersome workers, de-industrialisation is hardly compensated for by the expanding service sector, and real de-skilling is masked by the growth in the number of students (and in people doing "research", another magical word of our time). The "lower classes" (blue collar and other manual workers, plus menial office job holders), who for instance in France account for about 60% of the working population, fight an often lost battle to maintain their income and social benefits. The "middle classes" find it more and more difficult to keep up with their position and to promote their children. In other words, a relative impoverishment, which won't be perpetuated without social upheavals.

Britain prides itself on having stepped into the future, with little manufacturing left, an ageing rentier class, a young efficient internationally-geared service sector, and meagre welfare for the ex-workers and their offspring. This is only valid as long as the emerging countries accept the present international division of labour. When New Delhi or Nanking firms develop tertiary activities as profit-making as those now performed in London, the function, the income and the purchasing power of the London bank executive, researcher, journalist, commercial artist or computer expert will be as much

threatened as the Birmingham steel worker was thirty years ago by the coming of cheaper Japanese or Korean steel on the market.

Dislocating traditional ways of life and depriving millions of people of their previous means of existence to force them totally or partly to become proletarians: this process has repeatedly given capitalism a renewed energy and impetus. But there's a limit to the exclusion of crowds forced to search for jobs that don't exist, or to accept jobs worse than the ones they had before. When pushed to the extreme, the process turns round on itself. No social system, and even less so one that's based on mass consumption, can afford to push half of the human beings under its direct rule and then reject most of them.

A non-Fordist capitalism is indeed possible, providing it could conceive of *another* way of organising large scale consumption. Science-fiction gives us foresight of a "dual" society that leaves the majority in misery, while a privileged minority enjoys quality and Hi-Tech goods: junk food at Tesco's for the underclass, plasma screens for the wealthy. But nothing points in this direction. On the contrary, accumulation still relies on the production of goods bought on ever-expanding markets. Tesco's or Woolworth's are likely to be soon selling cheaply produced plasma screens next to huge bags of saturated-

fat crisps. This means a certain purchasing power for Tesco's shoppers. The contradiction is sustainable for a while, not in the medium term. As in the 1920s, the current technological boom does not go together with the type of wage system that is necessary for that boom to function with the best possible social equilibrium.

Globalisation's weakness lies where it is said to be strong.

Capital development needs a class of those who control the means of production. Bureaucracies born out of the military or the working class are efficient enough to manage a "young" capitalism that can still grow without the stimulation of a fully-fledged market, and can temporarily (and with lots of human, material and money losses) bend the rules of competition: political power acts as if society was made of one firm, and planners manipulate prices and wages as if the State was the sole buyer and the sole seller. This happened for a (sometimes long) while in Russia after the failure of the October revolution, in China after 1949, and in countries as different as East Germany and Vietnam. In the long run, however, capital must have a class of private property owners. True, the Lancashire cotton mill owner

has been replaced by some *functionary of capital*, and the State often acts as a *collective capitalist*, as Marx and Engels wrote nearly 140 years ago, but this does not nullify the necessity for capital to operate as an addition of separate and rival poles of value each competing to profitably manufacture and sell its own goods on a relatively open market. And each pole has to be taken care of by people who run it to make profits for the pole, not just to get rich themselves.

Capitalism tends to refuse limits, so it "naturally" breeds irresponsible managers and shareholders who only care about their own banks accounts. Sooner or later, the ruin of these bourgeois purges the system of its (inevitable) excesses and swindles.

But when the irresponsible and the speculators take pride of place and get personal super-profits without creating value except for themselves, it means that there is not enough profit going round for all bourgeois strata, because post-1980 re-engineering has missed the point. Instead of taking risks and collecting money when business is good, contemporary big bosses get rich when the company declines, and transfer the burden of the losses onto the personnel and the company.

The enterprise is central to capitalism. It provides the continuity of capital as an entity distinct from those who own it, manage it and work for it: it could replace them all by entirely new owners, managers and workers, and still go on. The shareholder and the manager are equally necessary. Managers are personally responsible for how much the business they're running earns or loses, and they make money for the shareholders' dividends to be paid.

What is now called "shareholder capitalism" follows a totally different logic. Letting the shareholders run the enterprise has given top priority to the dividend over the benefit. Capitalist leaders play with anonymous undifferentiated money flows. The need for the firm to bring in the maximum to the shareholders, even at the expense of the firm, contradicts the function of the entrepreneur as the agent of value accumulation. Too much profit given back to the work force, and profitability goes down. But too much profit claimed by a 19th century factory owner, or by a 21st century pension fund, means a dysfunctioning valorisation cycle. Capital does not exist to enrich the bourgeois at any cost, nor to enrich bourgeois fractions at the expense of the whole.

Present capitalism is run from day to day, and gives precedence to the immediate interests of capital owners,

epitomised by the (in)famous 15% return on investment, a symbol of impossibility. With an average growth much lower than 15%, the only way to get it is to go for monopoly profits. This winner-takes-all logic is making a norm out of an exception only accessible to the happy few firms that enjoy high returns due to a secure economic niche, often obtained and guaranteed thanks to political clout: in other words, crony capitalism. The loudest advocates of free competition only succeed through State-protected monopoly. Altruism has never been a common bourgeois virtue, but the systematic refusal to take into account the general interest of their class is a sure sign of a structural capitalist crisis. 19th century "jungle" capitalism was moderated by enlightened bourgeois, or by authoritarian statesmen like Bismark compelling Ruhr industrialists to listen to strikers' demands. Later, in the 20th century, managers got used to treating capitalism as a global system which must give a place and a say to labour. The main regulation now is that of the deregulators. To use Lukacs' phrase, the bourgeois have lost the sense of totality.

Proletarianisation of the middle class

Either the concept of class is valid, or it isn't, but it's difficult to conceive of a class that would stand in-

between the bourgeois and the proletarians, and even more difficult to understand how such a middle ground could become so wide as to occupy nearly the whole field.

In capitalism, as we've said before, not everything is capitalist, and not everything that is capitalist belongs to the most technically or socially advanced forms of capitalism. The existence of small owners of the means of production is necessary for commercial and industrial vitality (there's no capitalism without dedicated entrepreneurs and innovators), and also necessary as a social shock absorber. The French (or Italian, or US...) bourgeoisie periodically needs an influx of fresh blood into its veins, and also it could not rule society with just the support of a few hundred thousand propertied people. It must share political, intellectual and (up to a point) economic power with what in 1872 a French politician called the "new social strata", in which he included shopkeepers, craftsmen, railway and State employees, teachers and doctors. The list is outdated, the principle remains.

The *petit*-bourgeois are thus called because they possess little capital: their command over the means of production stops at the gate of their small business. In

21st century France, craftsmen, shop owners, small company bosses, professionals and other "independents" are said to be 15% of the working population. No doubt the figure would be similar in Italy or Germany, and lower in more modern countries like Britain, but these groups have not and will never be totally swept away by capitalist concentration. They are less numerous than those relatively well-paid wage earners with no capital apart from their savings (plus sometimes inherited money), that they invest in shares and bonds that give them no control whatsoever on any means of production. Besides, in Europe as in the US, most of the time, property hardly goes beyond the walls of the house or flat where those "privileged" people live. Few households can afford a sizeable private pension scheme. Nevertheless, the middle classes, "new" or "old", take on a social reality when the proletarians do not fight or are defeated. It's the lack or failure of capital v. labour confrontation that often gives a fresh boost to a vast middle ground which includes many workers averse to working class militancy. Typical "centre" parties (the Radical party of the French Third Republic, the Zentrum in Weimar Germany, or the Italian Christian-Democrats after 1945) only played a big role after the demise of labour forces, and because they managed to have a large worker following. Such parties have little autonomy of

their own and side with labour or capital according to which pole is the most dynamic. The 2001 Argentinean rising was launched by proletarians: the initially hostile middle classes joined in when the closure of banks by the government deprived them of *their* money, and they left the movement as soon as the banks opened again. Even when he has trouble making ends meet, every wage earner is not a proletarian. Let's limit ourselves to Europe: all great historical fractures, Chartism, February and June 1848, the Paris Commune, 1917-21 in Germany, Nazism, June 36, Italy 1969-80, Portugal 1974-75, have had the middle classes waver according to which way the wind blew. Afterwards, after the commotion, the rulers explain their victory by the stabilising effect of a sociological majority which is in fact the result and not the cause of the ebbing of the movement. The hotchpotch known as the middle class only comes to life when the conflictual partnership between capital and labour loses momentum, and its theorisation tells us more about society's self-image than about its reality. What the phrase "middle classes" boils down to is the notion that apart from the homeless and the idle rich, everybody works or is supposed to (meaning, not housework, but work to earn a living). Yet what do a cashier, a university lecturer, a computer analyst and a psychologist have in common? That word mixes together

a wide range of non-factory manual and menial jobs (shop assistant, postman, lorry driver, etc.) and a series of professions that enjoy a much higher income, protection, power and social image. These two sets play different historical roles. The school cleaner and the school teacher both live off a wage, but the former does not experience his situation like the latter.

Productive labour remains the axis of contemporary society: it's certainly less individual, less direct, less manual, less traceable than in 1867, but it has not been diluted to the extent that it would exist everywhere and nowhere. A mechanics professor, an assembly line worker, a fork lift operator and an ad-man all contribute to the launching of the new Toyota model, but not to the same degree. (All we can say is their respective contribution to value creation would be even more difficult to quantify in a Toyota plant today than in an 1867 cotton-mill.) Whereas a few factories directly sell their goods in a shop next to the workshops, no seller could do without a worker.

Every society implies some balance, class societies a class balance, and our society a balance between capital and labour. That relation has been successively based on factory workers that came from crafts, then on skilled workers and the "labour aristocracy", afterwards the

unskilled "mass worker", which no other group has yet come to replace in this pivotal role.

We live in a world that calls itself "post-industrial" and yet depends on manufactured artefacts, from microchips to cruise liners, more than any civilisation before. No need to be a diehard Marxist to explain this paradoxical negation of omnipresent ever-expanding industrial realities, this negation of labour (manual labour particularly), by the necessity to subdue the restless workers of 1960-80, and to consolidate their submission by the symbolic death of the working class in public imagery. A country's wealth and power used to be measured in tons of coal and steel, now it's assessed by the number of post-graduate researchers.

A new social foundation stone was laid in the 1980s and 1990s. As the spearhead of the new economy is said to be in the service sector, and above all in technologies supposed to be based on knowledge that produces more knowledge (thereby effortlessly creating new value), the middle classes were promoted again. This time it was not the post-1945 typists, shop-assistants, public employees and technicians. We're invited to the birth of **new** middle classes. Needless to say, those lucky enough to belong to them have nothing to do with machine-tool grease: but they never use Tippex either. They are partners in a

team, they are given minor responsibilities, they do multitasking, regularly attend training sessions and *have to be* autonomous. They have jobs in the media, in communication, in the university, in research. Nobody's called a worker today except social workers. They all use high technology tools, and keep on using them after office hours.

Those strata were described as the majority of the working population of tomorrow, and heralded as the prime stabilising factor of a renovated capitalism. Unfortunately, as soon as it appeared on the stage, the neo-tertiary was subject to proletarianisation. Why should it be spared by cost-cutting? The symbol manipulator also is expendable. The "clean desk" policy often even deprives him of an office of his own. It's all very well for the European Ph. D. holder to move to North America... if the ex-pat proves more competitive than the locals. Everybody's heard about the amazing rise of the property market in the US and Britain, but the Parisian neo-tertiary employee will have to work twice as long as his parents to afford the same type of flat. People now talk of a minimum wage for middle managers, and it's not uncommon for doctors' or professionals' kids to become primary school teachers, which would have been close to a social downfall in 1960. Millions of European

office jobs will be relocated to North Africa, the Middle East and Asia. Nobody escapes social insecurity. Once again, the capitalist dream is yours if you're rich or lucky enough to buy it.

The would-be stabiliser reveals itself to be fragile. It's always a weary capitalism that regards itself as neither bourgeois nor labour, and looks for a social "average" that would spare it the dire straits of class antagonism.

The workshops of the world

Fifteen years ago, experts talked of nothing else but virtual economy and workerless firms. Who dared imagine a country that would cut large slices of Western markets by mass manufacturing everyday objects churned out by crowds of over-exploited manual workers? It's absurd to emphasise the ascent of China and maintain that the only viable capitalism now would be a "real" domination one, supposedly based on relative surplus-value, the inessentiality of labour, and minimal State intervention in the economy.

In fact, at the exact time the West and Japan are busy dismantling (but not replacing) Fordism, they are faced with the breakthrough of a pre-Fordist giant: that

breakthrough by no means solves their crisis, it just makes it more complex.

Up to now, no industrial power has emerged without developing its domestic market. An excessive dependence on exports makes a country vulnerable to competition from new comers, and to a possible commercial or financial crisis in the buyers' country. With a population of 1.3 billion, China does not need one billion consumers, but a couple of hundred million aren't enough. A rapidly developing China also develops its imbalances, with less capacities to face them than Japan in the 20th century. Overinvestment, overaccumulation, overproduction are every capitalist country's lot, and indeed a sign of success. But the predicament is far less manageable in the case of a colossus that depends so much on exports and neglects most of its inhabitants. Neither Holland, England, France nor Germany brutally impoverished half of the rural masses. A "dual" society is possible, in Brazil for example, but that country, in spite of being an economic Goliath, won't be a world power before long, because its size does not shelter it from regional or worldwide financial or commercial shocks.

The (far from generous) Maoist social security was granted by huge state firms: their bankruptcy, breaking up or privatisation force Chinese to spend as much as

several months' income on hospital admission or university fees. In theory, between 100 and 200 million people (a figure similar to that of migrant workers who own nothing but themselves) have enough purchasing power for modern consumption: but the nest-egg they have to put aside for their children or for an emergency is diverted from consuming or productive investment. Every year, millions of *made in China* cars remain unsold, many vehicles are bought by companies or by the State, and lots of articles are sold below production cost. Overaccumulation in durable goods entails State-assisted dumping, paid for by taxes on the rest of the economy, especially on the peasantry,- but can a fiscal policy get much from those who have little?

Owing to demographic pressure, job losses, particularly in the mammoth public sector, and to a massive drift from the land, a Chinese yearly growth of 10% creates only about 10 million jobs, which is half the number necessary to supply the available labour force with work. Besides, as is well known, this is achieved through extendable working hours, a yearly death toll of 100.000 due to occupational hazards, and wages usually far below the minimum required for mass consumption. These conditions are necessary because export-based growth needs low manufacturing costs. As Chinese workers (like

those of Taiwan and South Korea thirty years ago) start organising and press for pay rises (some factories have had to raise wages by 10 to 20% in the past couple of years), investors begin to have second thoughts. Mainland China has taken over from other Asian countries in the supply of cheap labour: if wages get higher, subcontracting will move back from Peking to Hanoi or Dacca. Some foreign investors are already complaining about the modest reforms recently implemented by the Chinese government.

True, the Chinese worker earns and spends more in 2007 than in 1977, but definitely less than is needed for a domestic market to prosper. In Mao's time, the wage packet only served as a means to cheaply renew a labour force that was exploited first for the upkeep of the bureaucracy and the build- up of State power. Restricting consumption was indeed a condition of the system, but hindered the transition to a further stage. The State can only pretend to be the sole producer and buyer in an economy that gives absolute priority to capital goods. Today, the more active the market is, the more the wage must contribute to an equilibrium very different from that of bureaucratic capitalism. Commodities aren't things just manufactured and put in a warehouse: they only exist if their value is realised by an encounter

between sellers and buyers, in a social space that can be partly controlled but not endlessly manipulated by central power. A system where the main buyers are Western consumers and a local "middle class" which is bound to remain a small minority of the population, is not sustainable. As we said before, capitalism is not synonymous with consumer society. But what functioned somehow or other in Russia, 1950, or China, 1980, fragilises an economy that's been opened up to the world. The overexploited peasant of 1977 lived in bureaucratic serfdom with little income and little to buy. The Chinese peasant of 2007 often depends on the wage of a relative who's left the village for a town job: if that worker loses his job, it means the loss of two incomes.

Consumption is a social act, which implies a whole environment. With a population sixteen times larger, India manufactures as many cars as France. That potential market is not only hindered by poor wages, but also by the inadequacy of a road network that liberal governments have neither the will nor the money to modernise.

It's not impossible for Asia to develop a mass consumption that started from the top, as usual. In 19th century Europe, and later in the US in a more spectacular way, the domestic market was first boosted by the

bourgeois, then the petit-bourgeois and the best paid workers, then by the bulk of the working class, as is shown by the spread of the bicycle, of the motorcar, of household goods, and lately of digital communication objects. But can China achieve in one or two decades and for, say, half a billion people what for example Japan did in a century? Among other things, Japan took care to handle its peasants with caution, and long subsidised them. In France and Germany too, the drift from the land was checked, and half of the European budget still goes to agricultural subsidies.

In our comments on the limits of exportism (*Whither the world?*, 2002), we doubted the possibility of manufacturing in Manila or Djakarta a low-cost car that would meet "modern" standards and sell in Brussels with a profit. The arrival of Chinese cars in the West might soon appear to contradict our statement. But it's not the Philippines or Indonesia that will compete with France or Germany: it's a country with a sturdy industrial infrastructure and a strong State, and, unlike T-shirts, Asian vehicles won't be a lot cheaper in Europe than Western vehicles. Besides, the low-cost car that's come on the French market (the Logan) is made in Rumania, but by a subcontractor of Renault, not by a genuine Rumanian firm. In any case, the number of Chinese cars

sold overseas will not compensate for the weakness of the Chinese domestic market.

Although it's still kept under control, the expansion of China is as untenable in the long run as any growth based on export. Unlike the Russian "garrison State" that managed to last for seventy years because it was protected from the interference of the world market, China has cast in its lot with an international capital-labour relationship which is beyond its reach. For China as well as for all other contestants, globalisation works only as long as the elements that insert it in that global structure remain positive for China. Three Chinese banks may well rank among the ten biggest banks in the world, but the huge sums involved reflect the situation of a country that's condemned to continued growth: in the US-Chinese duet, it's difficult to say which is the more vulnerable of the two.

A major Chinese asset is exactly what Western public opinion moans about: a dictatorship, which is the only regime able to provide present growth with its indispensable self-control. A democratic China would unleash bourgeois tendencies to capitalist illimitation, break the fetters which now still restrain competition, and increase social tensions now repressed by the heavy

hand of bureaucrats who had to admit the existence of over 70.000 riots in 2005.

Living on credit

The problem with the rocketing expansion of credit in the last two decades is not its size (US debt being about three times as big as the US gross national product), but its relation to the rest of the economy and society. Just as money is crystallised labour and not a dummy entry in a ledger or on a screen, credit has meaning only because it is supported by future gains, by possible value creation, therefore by profitable work: if that support is lacking or insufficient, credit loses its reality.
There's not enough value produced for sufficient portions of it to be redistributed in wages to sustain consumption, and for the State to fulfil its tasks.

Some countries deeply in debt (Russia, Algeria) have managed to pay back their creditors, thanks to a *rentier* position because of their having gas and oil in their soil. Most other debtors have to cut back their budget, or to privatise. Minimising social services reduces public debt but ultimately weakens productive potential. Selling key sectors to private business brings in quick money, but here again with no guarantee that these activities will be run more efficiently in the interest of

capitalism as a whole: the past experience of the railway in Britain rather points to the opposite.

The debt economy is not built on thin air, but on a mutual trust based on the rational expectation of mutual advantages: a Chinese businessman produces (at a competitive price) an item which he sells to a North American or European distributor, and cashes in large sums which he then lends to the buyer (indirectly, via the purchase of US or European State bonds) to enable this buyer to keep on buying. The capitalist advances the money necessary for the next purchase to take place. In other words, some have to go into ever more debt to consume what others produce but can't buy because their low wages are the very condition of the profitability of that production. Nothing absurd here. But no trust lasts forever. If it is suspended, the self-fulfilling cycle stops.

For the first time probably, "poor" countries (in terms of global value creation and per capita income) lend money to the "rich". There are of course shops and commercial centres in Shanghai, but Shanghai's real market, the one on which Shanghai's present prosperity lies, is not to be found in that city, but in Bergamo, in Seattle and Barcelona.

Since the 1990s, the US has moved from one bubble to another: first the Net economy, now the property market. Low interest rates are meant to deflect crisis by reasonably managed deficit, and that policy has been proved to work: debts do sustain growth. Except that some essential conditions of that policy are now out of reach of the US: it imports goods from Japan, South Korea and China, which in turn export their savings to America. If the import-export cycle breaks, debt will no longer function as a shock absorber, but as a shock creator.

Far from stopping the rush to cheaper money and bigger debt, the downfall of the e-economy in 2000 led to more *non*-profitable ventures, the consequences of which will have to be paid for. The gigantism syndrome, i.e. the rise of monopolies, masks the problem without solving it. The total of merger-and-acquisitions now equals 10% of world production, and 1/3 of European production. The 2000 crash has been dealt with in a way that duplicates the conditions of another crash.

Wages, deflation and profits

It would be silly to explain the increase or decrease of money supply by a single cause, for example just by the

connection between classes. Still, there was a clear link between the inflation typical of the 1960s and 1970s, and the social situation of that period: wages, profits and prices regularly moved upward in money terms, according to the pace of worker unrest and economic competition between rival capitalist countries, with now and then the mildly painful correction of devaluation. From the 1980s onwards, there was another strong linkage, but a different one: the progressive mastering of inflation in all industrial Western countries and Japan was not due to the invention of more efficient regulation devices, but to the running out of steam of worker militancy and of the wage increases that went with it. In order to evade the confrontation with their own proletarians, European, US and Japanese capitalists opted to open up to the world labour market, to get cheaper and more docile workers, while paying less and forcing to work more those European, US and Japanese proletarians they still hire.

No scoop news here. What is less known is the following paradox:

Since today's investments prepare tomorrow's profits, how come that in the midst of a world growth that's more robust than it's been for thirty years, big business hands out more *dividends* than it invests, institutional

investors prefer bonds to shares, and money markets prefer to finance *public deficits*, particularly by heavy buying of US Treasure bonds ? If capitalism is booming, as everybody says (its leftwing critics only ask for a fairer organisation and distribution of wealth), why is capital so reluctant to go into productive investment?

The more and more unequal sharing of profits between capital and labour is one aspect of a lack of profitability, caused not by the greed of financiers (the bourgeois are no more or less greedy today than yesterday), but by the shortage of profits gained in industry and commerce. If one leaves the US aside, "the world economy proves incapable of sustaining a demand that would keep its productive (and particularly) industrial capacities busy". This is the point made in 2005 by a French economist with no Marxist or leftist leanings, Jean-Luc Gréau. He argues that the systematic worldwide lowering of labour costs is part of the problem, not the solution: "How do economists manage to publicly ignore the effects of wage deflation on the world situation? (..) Wage deflation means deflation of value creation."

Cutting down costs, and first of all labour costs, results in fierce competition, hence diminished selling prices, hence less profits. (Only those firms in a favourable

economic niche get super-profits, but there are few of them, and super-profits are even shorter-lived than normal profits.) In 1923, Keynes wrote that cost-cutting and deflating led to a "transfer of wealth from the community to the rentier class (..) from the active to the inactive".

The bourgeois is mildly concerned by theory or even statistics. He keeps an eye on his order books, his balance sheet, and this year's and next year's benefits: the cheaper an item, the more items he has to sell, or profits will be lower, and there's a limit to the expansion of sales. Everybody knows the tale of the retailer who loses on every item but makes up for it because he sells a lot: good business... unless his competitors cut down their prices even more. This means less money for investment, in an increasingly competitive environment that forces him into constant costly technological innovation.

However "immaterial" contemporary consuming may be (or is said to be), holiday makers do not fly in pixel planes, and viewers still watch films with flesh-and-blood actors. Building, public works, machine-tools, car making, chemical industries, aerospace and electronics remain the backbone of the economy, and they all depend on a

large creditworthy market, i.e. on people with enough purchasing power.

Nowadays, even the European and US underclass may be spending a lot more than the 1930s unemployed, but the question is whether the current consumer frenzy provides enough commodity and money circulation for capital to be profitable. The quest for novelty goes together with a relative saturation of solvent markets. Planned obsolescence has its negative effects. Every month offers a new cell phone more effective than the previous model. Research and marketing cause more and more costly investment, and no manufacturer can evade gadgetisation. Obsolescence is no longer a condition of expansion, but of survival. Excessive competition hinders competition. Only the toughest will make it, which often means the biggest. Boundless liberalism leads to monopoly.

Hard discount is a two-edged sword. The endless reduction of prices does not only bring wages down, but profits too: it ensures the profitability of a few hyper-distributors at the expense of many producers and sellers. Besides, a lot of the trade on the Internet is second-hand and discount shopping: here again, lower prices, fiercer competition, less profit.

Capitalism obviously implies inequality between those who control capital and those whose labour valorises capital, and the first group naturally gets the lion's share in terms of power, income and prestige. But a consumption-based society finds itself off balance if the inequality goes too far. The money that has to be saved to pay a 25 year mortgage won't be available to purchase a new car or a new dishwasher. Wage labour has rarely made people rich. However, the (higher than in 1970) proportion of "working poor" signifies more immediate wealth for the very rich, *and* a loss in earnings for business as a whole.

The Wal-Martisation of North America is more than a symbol. With its cheaply *made in China* articles, temp work imposed on one third of its personnel, an average wage that would have been classified as a secondary income thirty years ago, and its *de facto* union bashing, Wal-Mart applies a low-cost system that is perfectly adapted to (and a part of) overall declining incomes. In six years the Great Lakes region has lost 200.000 industrial jobs, and when Ford and GM both lay off 30.000 people, if we add part suppliers, 120.000 Americans end up with less purchasing power. Wal-Mart is Keynesianism in reverse: low wages are the condition of low consumption. But consuming implies money and

free time: the only choice left by Wal-Mart is between making do with a meagre income and juggling with two jobs that add up to 10 hours a day. A society that needs "food banks" and has charity shops in every English town centre is ill-suited for prosperous trade.

Moreover, cost-cutting won't do, if it is achieved by a disproportionate increase in the cost of *capital*. Even the most productive labour can't valorise investments that go over the top. Containers were introduced to do away with docker resistance. But a 100 million dollar container ship which transports over a thousand containers of Asian goods to America and Europe can only be profitable if all the parameters of the economic equation stay as they are. Fordism relied on a demand stimulation that bred inflationary trends which States had trouble keeping in check. Globalisation prioritises supply and breeds a deflation that is even more difficult to master. On one hand, we have the characteristics of deflation: lower wages, prices and interest rates. On the other, an inflation of sorts: expanding credit, expanding stock market valuation. Deflation for the income of the majority. Inflation for the profits of a happy few and a bubbling real estate market. Between one and two billion human beings are being pushed into the maelstrom of industry and trade, while paper claims to wealth exceed

available value. Unless we believe that capitalism has gone beyond its limits and turned into a hall of self-reflecting mirrors with no reference point, it can't keep on promising improbable gains without having to face the consequences someday. Claims to more money will have to be re-equilibrated with existing (or increased) value.

More and more bourgeois agree on the need to purge the system of excessive claims to wealth, but checking this inflation would imply a break with the first aspect - deflating costs -, and that break will only be possible when a revival of the class struggle forces capital to implement it.

Capital as cannibal

Commodity's present undeniable ubiquity is not enough to produce value, nor is capital's equally undeniable accelerated circulation enough to cause profitability. *Fictive* capital consists of shares, i.e. fragments of title deeds that are bought and sold, and speculated with. It has a reality of its own. There is no such thing as a "real" economy, as if a car body had a factual existence, and a bank note only an artificial existence. The securities of an energy company are as real as its power plants, pipelines and engineers, and the company will not hesitate to get

rid of many of those plants, pipelines and engineers if this results in a higher stock market valuation. But the mechanism only functions if somehow the energy company manages to put its pipes and engineers (or similar production factors) to profitable use. Money does not create itself, not indefinitely. Like any master, money is at a loss without servants.

Speculation is no longer content with anticipating the future of a firm, for instance an electricity-producing firm, to make money out of the rise of that firm's shares. It now anticipates the rise and fall of the price of electricity. People speculate on speculation.

Kant's philosophical dove thought the air around its wings was an obstacle, and believed it would fly better in a void. Likewise, capital's utopia is to free itself from blue collar workers and just keep flexible intellectual labour, as if it could feed on itself and develop as a sum of value that had done away with the conditions that produced it. It's not enough for capital to picture itself liberated from labour: it also wants to break loose from matter (no factory, no goods, no stock or as little as possible, just a flow of value), and finally from money itself (no gold, no liquidities, only credit lines, figures on a screen, 0 and 1 digits). Freed from the constraints of space by relocation,

capital dreams of becoming a mere movement through time, and nullified time, because "in real time" means immediately. In fact, an engine with neither piston nor rod, with neither fuel nor operator, would no longer be an engine, but just the abstraction of motion, the principles of mechanics applied to an engine that exists only virtually. In that case, profits are virtual too. If time measuring and saving are certainly at the heart of the value cycle, valorisation is the transformation of human activity into something profitable, be it an X-rated film or a loaf of wholemeal bread, but something that's eventually bought with a benefit for the seller and producer. Financiers exchange between themselves: they do not reproduce themselves. The wonders of capitalist incest turn out to be monsters.

The stock market is necessary for capitalism, which needs a meeting-place for title deeds to be compared and exchanged. However, today's astounding groundswell in stock market valuation does not correspond to a mass issuing of shares sold among the public to finance investments. Most of the issuing takes place within firms which buy back their own shares to push up their price (and take advantage of this overpricing to help them borrow more), or between firms, when one company buys another one. Nowadays, more money is spent

repurchasing shares and paying out dividends than in issuing new shares. When a company buys back its own assets, it's tantamount to a "de-capitalisation" (J.-L. Gréau), because the company pays (often a lot) for its own capital, and makes no fresh investment. The shareholders get richer without the company yet realising any profit. But it's because the inflow of money exceeds the possibilities of sufficient returns, that firms now buy themselves back, in order to increase a shareholding value unlinked to their actual results. The stock exchange no longer acts as a meeting-place between the enterprise and the saver or investor.

Whereas a private speculator (or a banker) can get out of the share market if he thinks it's in his best interest, pension funds and hedge funds live off that market, and tend to maintain valorisations disconnected from the effective results of companies. This leads to a closed-circuit system that knows no other regulation but itself, with no guidelines that would compel it to rationalise itself before it reaches its breaking point.

Besides, as the most astronomically capitalised companies are usually those with their own pension funds, their search for profitability urges them to gamble on the rise of the market as a whole, even if it runs against their interests as value-productive firms. US

pension funds (which own one third of US stock market valuation) invest worldwide and their very strength makes them vulnerable to an interruption of trade.

There's nothing absurd in a stock market valuation being 900 times the total of the annual profit of a firm (Yahoo in 2000), or 60 times (Google in 2006, reaching the sum of 155 billion dollars). Those figures signal the investors' logical behaviour in the face of truly outstanding achievements in an obviously promising sector. What's wrong is to equate the capital of a firm with a valuation that only reflects the mutual trust of economic actors: that trust has only the rationality of reciprocal optimisms.

A chain-reaction financial bankruptcy (similar to the post-1929 one) is not inevitable. But what was improbable in 1960 because of corporate and State safeguards, now becomes more of a likely possibility. True, the State is more able to act, like the Federal Reserve that forced US banks to bail out the hedge fund LTCM (total losses: 4,6 billion dollars) in 1998. The shockwaves of the crisis of the "new" Asian industrial countries after 1997 were contained, as well as the breakdown of other fragile economies in Latin America, and later the "new economy" crash. But will States be able to play this stabilising role if they're confronted with multiple

bankruptcies? Globalisation opens up the possibility of a systemic crisis.

"The time is out of joint" (Hamlet)

The world born out of the ruins of 1939-45 was certainly not a haven of peace, but the dominating powers, and first of all the US and the USSR, managed to take advantage of the eruptions that happened, to stir up more trouble, calm this trouble down or let die its own death. Now, in spite of its hegemony, the US, the emblem of "real domination" capitalism, only rules upon chaos.

The great powers no longer master regional disturbances. Forty years ago, it was said that the US-USSR rivalry was adding fuel to the flames. Now we're told that the USSR acted as a positive factor because it channelled Third World convulsions: better have dictators supported and armed by Moscow than uncontrollable disorder. In fact, the demise of bureaucratic capitalism coincided with the social crisis in the West, without either of the two being the cause of the other. The conjunction of the improbable Russian transition to a viable market economy, and of the decay of a Fordism that nothing came to replace, made it most

unlikely that the end of the Cold War could herald an era of prosperity, even a mercantile one, and of true parliamentary democracy, even under Uncle Sam's supervision.

In the Middle East, that the US wished to reshape, the cure has proved worse than the disease. "War on terror" is causing more terrorism. The Pentagon's problem is not how to defeat the Sunni, Shia, post-Baathist, nationalist, etc., guerrillas that are competing for Iraq, but how to get out of the country in the least bad possible conditions. This is public knowledge, but we'd like to stress two facts.

First, the US handling of Iraq after the invasion is a caricature of economic liberalism. The privatisation of public sectors, which is harmful to the poor and detrimental to the general running of society in relatively strong and stable European countries, proves catastrophic when it is forced in a couple of weeks upon a weak and previously State-organised economy. In such a country, the reign of free enterprise could only be negative for most Iraqis, and positive for Halliburton, Bechtel and a few other US corporate interests, as well as for a thin layer of local people with access to the invaders' support and money. Corruption at both ends, with the additional farce of a few hundred million dollars

in cash that the US gave back to liberated Iraq and which evaporated somewhere between the airport and some private coffers. Where market forces are the least able to structure an economy, their unchecked play does not hold a country together: it contributes to its disintegration.

Secondly, the attack on Baghdad followed the one on Kabul, the unacknowledged failure of which the invasion of Iraq was supposed to make up for. In 1970, America tried to win an inconclusive Vietnamese civil war by wrecking a fragile Cambodian society: thirty years later, the same escalation is at work, but with fewer checks on imperial overstretch. In Baghdad as in Kabul, from its underground bunkers and from the skies, the US rules over a torn apart country. Defeating the enemy is no historical reconstruction. Hyperpower is powerless if it does not convey a social project, and if it tries to compensate for the lack of social perspective by an ever more sophisticated weaponry. In the same region, in spite of its world hegemony, the US is incapable of preventing Iran from becoming a nuclear power.

Mutatis mutandis, this is also Tsahal's lot: its invasion of Lebanon in 2006 fitted within the US strategy of using big guns to wipe out what is mistakenly perceived as mere gun-wielding gangs. Military superiority is never enough

to change a political situation, and denying social realities finally diminishes this superiority (out of 400 tanks used by Israel, Hezbollah destroyed 50).

Because of Russian weakness and European non-existence, the end of the Eastern bloc opened prospects for US penetration, but even there, Washington is at pains to find allies. How many East European soldiers are fighting alongside the US army in Iraq... ? From Prague's or Budapest's point of view, Washington hasn't much more to offer than Brussels. In the aftermath of 1945, democracy and the Marshall plan went together, the latter gave meaning to the former, and both reinforced West European conditions that permitted growth and some class reunion. That was the positive ground for the political and economic alliance sealed by NATO. There's no possible comparison between the flow of US capital into Europe after 1945, which was part of long-term plans, and current investment in search of quick returns, and likely to leave Bulgaria for Malaysia at a month's notice.

The larger it gets, from the Baltic to the Black Sea, the more the European Union asserts itself as a vast economic area devoid of political and military power. Brussels is as capable of compelling an EU member to

privatise its postal service as ill-equipped to have a say in international matters, including what happens at its doorstep. When a bloody conflict took place in the heart of Europe at the time the EU was freed from the (imaginary or real) Russian threat and theoretically had the means to intervene, it found itself with its hands tied. The League of Nations was much derided, and rightly so, for its utter inadequacy in the face of German rearmament, the war in Spain or the Italian invasion of Ethiopia, but Brussels' results are equally disastrous as Geneva's before 1939. World War II followed the illusory post-1918 trend to unity and peace. The present state of Europe is also one of apparent unification yet real division: there is no joint foreign policy in the Middle East, or regarding the US and Russia. Europe waited for years before interfering in the civil war that tore Yugoslavia apart. In the exact location where the 1914-18 conflagration started, a so-called united Europe proved unable to stop a *local* conflict. NATO's attack against Serbia showed the political debility of an EU pushed into war by the US, but also the US incapacity of acting positively in Europe: America is able to contribute to European disunity, and unable to promote perspectives for that continent.

Military defeats usually indicate political and social weakness, but a stalemate on the battlefield can also be beneficial if it helps a country to move on. France in 1958 and Portugal in 1974 reacted to the loss of their colonial empires by modernising. The US now won't learn from the Middle East quagmire, and military failure increases the difficulty for capitalism to change.

Nowhere does the speeded-up unification of commodity and capital flows come with power structures and territorial forms necessary to give some substance to such a unification. Europe jumps from 18 to 27 members, draws together 450 million people and dreams of crossing the Bosporus, without remedying its permanent incompleteness, and the rejection of its constitutional treaty by two founding countries in 2005 was more than a symbol. It took centuries of trade, political centralisation, culture *and war* to build up European nations. Economic processes aren't sufficient. Left to itself, instead of bringing about sound government, the economy rather helps the resurgence of the archaisms it was supposed to do away with.

In the Middle East, the failure of national structuring is one of the reasons why religion has come back to the fore. Hezbollah is as much opposed to a Lebanese State

that's incapable of integrating the Shiites, as it is opposed to Israel. And the rise of Hamas also derives from the stagnation of the national Palestinian movement. Labelling this group or that *Sunni* or *Shia* does not help to understand what's happening in Gaza, Afghanistan or Somalia: economic pressure breaks exchange links and gives back an organising (and political) role to extended families, clans and fiefdoms, to what were called "tribal" ties in 1900 and "pre-capitalist" ties in 1960. 21st century "ethnic" factors are often close to 19th century "nationalities", except they lack the coherence necessary to build a nation.

Slovakia, Montenegro, Moldavia, Transnistria, East Timor...: globalisation gives birth to Statelets as unviable as those created by decolonisation, preyed upon by profit-and-run international investors, and forcibly "protected" by powerful neighbours.

Strong winds of autonomy also blow within States that benefit from a long national history and could be regarded as stable, like Italy, Spain, Belgium, or even Britain. Those centrifugal trends run contrary to the now dominant idea of a march towards economy-induced unification. Germany is the only country that has recently achieved real national unity. Former multi-national

entities born out of 1918 as clients of France and bulwarks against Germany (Yugoslavia and Czechoslovakia) have split up. The coming of mini-states, and the effort to create separate structures within existing States, mean that there aren't enough profit opportunities in the present world, and therefore not enough possibilities to sell one's labour. To attract investments and jobs, each fragment of territory, each set of people must call attention to itself, highlight its specific assets, set itself apart, and portray its neighbour (and rival) as less profitable than itself. The Flemish worker is no longer the Walloon's compatriot, but his competitor: to present himself as more skilled and industrious, he has to turn Flanders into a distinct political entity liable to appeal to investments that are all the more precious as there won't be enough for everybody. (This social selfishness, this closing-in also signify a minimum of united front between labour and capital, which is bound to have some bearing on the class struggle.)

The human factor

After Vietnam, the US dreamed of an "electronic battlefield": it finds itself one war late, and is forced to

realise that drones and satellites won't replace soldiers in street fighting.
No society can escape from its ideology, especially when the ideology is deeply rooted in social behaviour. Though mechanisation has been a constant feature of capitalism, up to now it's always come with an emphasis on labour, on more skilled and more indirect labour, never with the belief that manual labour, physical effort and man-operated tools were obsolete.

At the top, university-trained top brass strategists are planning a war that they hope to win at a distance, flesh-and-blood soldiers merely occupying the field after smart bombs and guided missiles have done the real job. They forget that in 1944-46, Britain needed 80.000 troops to police the narrow territory of Palestine. On the ground, every GI may be using over $ 20.000 worth of weaponry, he remains a death *skilled worker*, and is as looked down on in the army as the engineering worker is in factories, a relic that has to be employed until everything can be computerised. The Parisian or Berliner often bemoans the difficulty of finding a plumber or an electrician. Washington's politicians lament the lack of mercenaries. In his own way, a soldier is a manual worker, and our time disregards manual labour. The only foot soldier that is now highly regarded is the elite SAS, Special Forces,

Rangers, etc.: "A society that admires its shock troops had better be bloody careful about where it's going (..)" (Le Carré, *The Perfect Spy*, 1986).

In spite of its power, or because its power excessively relies on technical substitutes, the US is now able to defeat any opponent in the Middle East, and unable to profit from its victory. What's the use of crushing the enemy if you can't use his territory? Whether it's waged with bows and arrows, or with fighter planes, the logic of war is not to destroy, but to get a crucial advantage. No need to quote Clausewitz here. The US has the means to win one or probably two regional conflicts, but cannot efficiently press its own interests against Iran, for example.

In 1942-45, the Allies did not just make havoc with Germany and Japan. Strategic bombings did not turn the population away from its leaders, they merely weakened German and Japanese war capacities, then the Americans and the British invaded and occupied enemy territories. Though they benefited from (usually) better weapons, their ultimate superiority lay in a social and political project that was able to win over the defeated population, without the victors having to impose themselves with guns and tanks after 1945. In Eastern

Europe, on the contrary, the bureaucratic way had to be installed and maintained by the constant pressure of the Red Army, and its interventions in East Berlin, 1953, Budapest, 1956, and Prague, 1968.

In the past thirty years, the balance between the proletarians and the accumulated wealth they valorise, between "living" and "dead" labour, has been broken up at the expense of the former. Unbound competition leads to monopoly, with all its reverse effects. In the economic sphere, we have overconcentration, niches, arbitrary price fixing, exorbitant income for the elite, investment or disinvestment decisions unconnected to productive profitability. In the political sphere, we have an imperialism that acts as if it could do as it pleases, because no competitor has yet the means to tell it where to stop. The US now has the power to prove its hegemony nearly everywhere and put the lid of its military superiority on any disorder, without restoring law and order, and in fact creating more disorder. Alexander the Great cut the Gordian knot, America now crushes the ball of knots. Strategic deadlock signifies social deadlock.

Today's depreciation of human activity in its most down-to-earth forms (in plain language, the depreciation of the worker) comes with a capitalist undermining of traditions

like the nation, hierarchy, family and religion. Communist critique can rejoice, except such a rejection leads nowhere if the old-fashioned ideas are replaced by a void. In any case, the withering of traditions fosters contradictions, among other reasons because capitalism still needs men ready to die for it. When the military becomes a job like any other, losing one's life turns into an occupational hazard that the employee naturally tries to avoid and which the boss will be held responsible for if it happens. It's all very well having the Star Spangled Banner at school, in the office or on one's porch, but the GI starts complaining when the death rate exceeds the very low minimum that he naively took for granted the day he signed on. Like any other worker, he wants the term of the contract respected and asks for guarantees. The British army has such trouble recruiting young men and women willing to risk their lives in Iraq that each volunteer is given a bonus if he or she persuades a friend to volunteer as well. There's even talk of exempting from taxation time spent on the battlefield.

In other more peaceful spheres, there is also a contradiction between technical and mercantile excesses, and the need to maintain socially essential functions. There's a limit to the degree of cost/benefit logic central political power can admit. A colonel cannot

be assessed and paid according to the enemy body count, a judge according to the number of judgements he's passed, a teacher according to the success rate in the exam, a university lecturer according to the quantity of articles he's published, a social worker according to the number of cases he's processed, etc. Yet it's that rationality that's now set as a target, and schools get audited like companies. Combined with the systematic substitution of un-manned for manned devices, speeded-up universal commodification (for instance the privatisation of public services) is counterproductive from the point of view of profits as a whole. Business needs a political power that structures society, and a "minimal" State is not up to it. A low-cost State is a low-efficiency State.

Soft globalisation versus hard archaism

It's not ideas that make the world go round, but the lack of ideas leads nowhere. Every past capitalist phase and variant produced its ideology, its set of doctrines and hopes, usually deceptive but confirmed by at least a minimum of facts.

Economically, globalisation promotes liberalism. Politically, it upholds democracy, not so much

parliamentary, representative and party democracy, as horizontal, immediate and grassroots democracy: one-issue politics, NGO, autonomy and Internet democracy.

In theory, anyway. In practice, globalisation is as rich in technologies as it is poor in ideology. In the best of cases, it has the ideology of technology.

One might have expected an unbridled capitalism to also unbridle desires, its materialism to fulfil the quest for spirituality, and to compensate a deficit in being by an increase in having. But the world flag-bearer of consumer society is currently run by god-inspired leaders who take more after the prohibitionism of the 1920s than from the permissiveness of the Sixties: social liberalism easily mixes with law-and-order moral conservatism. And up to now the most violent opponents of US hegemony also claim to draw their inspiration from religious purity.

Present radical archaism has little in common with the reactionaries of yester years. Fascist "reaction" born out of the inter-war social stalemate put on a post-capitalist mask. Mussolini pretended he was accomplishing the anti-*bourgeois* revolution the socialists had been too feeble to make, and Hitler labelled himself a national-*socialist*. In the last twenty years, it's not in the heart of capitalism but on its periphery that numerous and active

contestants have risen up. They're not concerned with going beyond modernity, democracy and wage labour. They wish to go back to a commonwealth of the faithful that they hope would control commodity and money: their ideal is not post-socialist but pre-capitalist. The only merit of the *clash of civilizations* theory is to emphasise how widespread this phenomenon is. Radical Islam is only its most outspoken form, but their name is Legion, from the evangelical groundswell in Africa and America to the Chinese Falun Gong. Fascism set out to destroy a worker and a revolutionary movement that was defeated but still perceived as a threat to bourgeois order. Today's archaic conservatisms are a product of a freewheeling modernity now untroubled by any communist perspective.

No society can do without norms that prescribe and ban, that claim some universalism, that go beyond the mere organisation of selling and buying, and sometimes against narrow business interests. Cutting down these norms to coincide with free commodity and capital circulation ends up in a world that is both socially merciless and mentally soft, a world that relativises everything, that dismisses critiques, where it becomes outrageous to say "I'm right and you're wrong". *Liberty, fraternity* and *equality* may be slogans, but to function as

slogans they need some credibility which is undermined by systematic relativism. Denmark and Holland were the countries that suffered most from the Prophet cartoon scandal: they are also the countries that go the furthest in consensus seeking, where assertiveness passes as shocking, where also reactionary parties become popular because they appear to stick to values and principles that other parties seem to be tired of. A dreamless capitalism is doomed to stumble, just like a dreamless proletariat is doomed to fail.

A well-known feature of modern times is to force each of us to find his role in an ever-changing play that of course unfolded differently in the 19th century, the inter-war period, the post-1945 boom, and now: in the last twenty years, there's been a growing gap between a widely shared faith in technological feats, and a deep historical pessimism.

There's an obvious contradiction in globalisation discourse: it claims that present evolution is inevitable, **and** that this evolution will be what we'll make of it. Yet something that's imposed on us also imposes its framework and only leaves us marginal autonomy. Our society has expanded the possibilities of personal fulfilment, by education, communication tools,

leisure time, travelling, etc. But this individual self-realisation is achieved under the influence of the "managerial ideology of performance" (A. Honneth): contemporary work trains everyone to sell himself in all circumstances (as we wrote above, leisure interests become an asset in a job search). Outside work, everyone carries on trying to be more efficient than his competitor and more modern than yesterday, to go always further and faster. Every item and every being is at the same time serial-processed, quantified, classified, **and** perceived as unique. Twenty years ago, when the Volkswagen Golf was the best-selling European car, its buyers pictured themselves as drivers of a *different* car. Modern communication devices have now implanted this contradiction at the heart of daily life. Our contemporary craves for the same objects as everybody else, not to be similar, but to assert his individuality. In order to be treated as a distinct ego, he must be able to "connect" himself to everything and everybody, anywhere and in a couple of seconds. The general loss of faith in the future is not unrelated to the (hopeless and therefore endless) race against time, which makes us live in a perpetual present where everything is urgent and must be known and dealt with immediately. The 19th century bourgeois prided himself on the privileged silence of his study, which insulated

him from noise and crowd hassle, from the industrial pace, where he could do as he pleased for a couple of hours without having to answer the bell like a servant. The modern individual is so lonely that he can't stand being alone, nor in one place or one activity at a time: the Internet provides him with (virtual) universal ubiquity and simultaneity. Every year, this cripple buys ever more sophisticated technological crutches. At first sight, that's fine for social order: a handicapped person is less likely to rebel. But this also hinders the *autonomy* wage labour requires from the worker, and thus diminishes his productive efficiency.

One can always tell an incomplete historical transition from its inability to understand itself. Capitalism is developing constraints, imposing *social selfishness* on the proletarians, weighing more heavily on the whole of their life than when they worked ten hours a day, speeding up work and consumption, **but** it claims to be pacified and replaces the ideals of effort and hierarchy by those of play and conviviality. Exterior constraints are banned from the classroom, the office, the shop floor, the living room and the bedroom. No more top down: bottom up is the buzz word. But there's a limit to the gap between reality and image. The self-illusions of a society must help it overcome its conflicts, not encourage it to ignore them.

It's impossible to subject education to the economy, to ask schools to prepare the young for future work, and to keep one third of them in an institution which does not teach them much and at best socialises them. It's impossible to drill boys and girls to face the harsh realities of a job quest and company discipline, and to tell them they will learn while they play. Compulsory autonomy is a contradiction in terms. The same society questions authority and lectures on the crisis of authority. It denigrated the manual work of unskilled migrant workers, and now wonders why their children want to earn money at the click of a mouse instead of taking vocational training courses in fitting or welding. It praises easy money and is outraged when members of the underclass try and get money illegally. There comes a time when the contradiction is no longer viable, when *false consciousness* becomes counterproductive. A future social crisis will put an end to a situation in which tolerance means indecision, and will substitute law and order to apparent permissiveness.

Relative overpopulation

On the one hand, as capital de-structures traditional ways of life, it deprives large masses of their former resources and only integrates part of those masses into

wage labour. On the other hand, as it continually substitutes capital for labour, it periodically fires a portion of those it has hired. Where the system is the most dynamic, increased production and the creation of new sectors absorb the labour surplus. Elsewhere, or whenever capital stops investing in its heartland, millions of men and women are unwanted, all the more so as medical progress lowers infant mortality and increases life expectancy.

There's no natural limit beyond which over-numerous human beings would inevitably end up in antagonism and mutual destruction. The problem is the ratio between a society's demographic growth and its ability to integrate newcomers, whether they come from rural areas of the same country, or from abroad, not forgetting that resources are expandable but not infinite, and that social structures are now getting tougher. In about a century, world population has gone from 1.5 to 6 billions, and might reach 9 billions between 2050 and 2100, but figures only matter in relation to why and how we live: 6 or 9 billions will neither feed themselves by roaming the land with a digging stick, or by shopping in drive-in hypermarkets.

Human densification is relative. A few thousand people could be over-numerous in a desert, while millions peacefully rub shoulders in a fertile plain. Still, cramming together huge impoverished crowds develops diseases and epidemics that find favourable ground in mass travelling caused by business, labour migration, political disorder and tourism. The losses due to AIDS in Africa are well documented, with as much as one third of the population being HIV-positive in some countries. This reality is social: vulnerable populations are more prone to carry viruses and spread diseases. After 1914-18, the Spanish flu pandemic killed 25 million people in a few months. Demographic growth goes together with socio-economic conditions that weaken people and enhance inequality. Better go to a hospital in Dallas than Nairobi, unless you're poor in Dallas and rich in Nairobi. But there are limits to the degree of inequality a system can stand. Too many poor or dead, too much ecological and human damage is detrimental to profitability. Capitalism is hardly compatible with chaos: *struggle for life* and *survival of the fittest* are more favourable to the enrichment of a few than to the expansion of wage labour. It won't do to have population growth regulated mainly by famine, epidemics and war (several million dead in the Congo in the last ten years).

Migrations out of control

Capitalism gives a different impetus to human migrations that have been happening for thousands of years. It has always developed (and often separated) production zones and labour pools, but until now it had kept those processes under control, which meant violence against the proletarians as well as between proletarians. After 1945, in France, the transferring, lodging and supervising of hundreds of thousands of men "imported" from North Africa became an industry in its own right under police surveillance. These adults were employed as unskilled industrial and construction workers, and took part in social struggles, but most of them went back to Algeria or Morocco after a few years.

There are now twice as many migrating people as in 1985, in search for less poverty than they experience in their "own" country. A few hundred Chinese have recently settled in Rumania, hoping to get the jobs of the locals who try to get higher wages in Western Europe. Only a handful, so far: the proportions will change when China facilitates emigration, and when eco-refugees are added to economic and political refugees. Only 7% of earthlings now live in Europe, which accounts for 30% of world production: that area (where most countries have

an ageing population) is bound to attract migration on a much higher level than in 1900 or 1950.

A French or Italian boss is all too happy about the coming of African, East European, Middle East or Asian cheap (and often clandestine) labour. So is the US boss about the inflow of Latin Americans. But here again, the capitalist world is not just made up of competing capitals. When rival communities are set against each other, the social and political balance is threatened, especially when globalising pressures lessen the State's regulation of migration flows. The masses now in motion are different from the Europeans crossing the Atlantic to settle in America, from the 19th and 20th century rural people moving from countryside to town jobs, from the overseas workers formerly driven towards assembly lines, building sites, mines and steel mills. A lot of the men and women (and most of those without any marketable skill) now attracted to Europe or the US will not find a regular job.

Everybody knows the fate of the successive and competing waves of immigrants in the New World, of US Blacks moving from the rural South to the industrial North, of Mezzogiorno Italians coming to Turino in 1960, of the Algerians in French automotive factories in the 1950s and 1960s, of the Turks in Germany, of the

Moslems in Bombay, etc., and the social tensions caused by these forms of coexistence. "Divide and rule..." But too much tension is not beneficial to social reproduction. Capitalist society certainly does not create harmony, and it does not mind what is now called "ethnic" divisions, *as long as*social-ethnic ghettos allow for a minimum of unity, or at least of reunion. It was natural for newcomers to live near those with whom they shared a community of habits and language: Little Italy in New York, Whitechapel for East European Jews in London, etc., which often went with conflicts, as described in the book and the film *Gangs of New York*. Newcomers later integrated into society, and most second generation members left the "ghetto". Today's closing in on themselves of groups and districts goes against the circulation logic (between labour and capital, between capitals, between sellers and buyers, between *classes* too) which is at the heart of the modern world.

A country's or a big firm's labour force is not made of components that would add up like assembled parts of machinery, as if each wage labourer was detachable from where he got his skills, his teamwork abilities, his shop floor discipline. Even the fashionable "nomad" executive is not an atom born out of nowhere: he's been trained among others, with specific (though scattered over

several countries) links and landmarks. Without a minimum of roots, there comes a stage when the executive's nomadism and the operative's precariousness hinder a sociability that is vital to capital's reproduction.

From the factory hand to the chartered accountant, "human capital" is productive because it's social, and can't function if it's split between individuals only concerned with themselves, or among groups hostile to each other. Whatever may be said of the end of the working class, there remains something of a whole structured by a long common multiethnic history. Nothing will prevent the Malian from integrating into the other proletarians in France, like the Italian did in the 20th century (although many people said he could never become "really" French), when that Malian finds himself in the same conditions as the Italian in 1930 or 1950. It all depends on his possibility or impossibility of getting a job (without being condemned to the most menial positions), and of hoping for social promotion for his kids. Under the present yoke of unemployment and casualisation, tensions between groups from different origins can hardly be avoidable, and won't be avoided by claiming that all human beings are brothers and sisters.

There's no more "natural" spontaneous racism or universal love among proletarians than among humans in

general. There is no threshold above which a certain proportion of "outsiders" would start to arouse hostility among the "natives". Xenophobia is not a latent undercurrent waiting to come to the fore. Racism does not lurk in the shadows: it arises when a general situation makes it exist. The (difficult but effective) fraternity between North African and French (and Yugoslav, Portuguese, etc.) workmates in 1970 resulted from joint struggles: the decline of these struggles undid that fraternity. Then, many of those unskilled immigrant workers were brushed aside by crisis and unemployment. At the same time, far from getting a "second generation" promotion, their children combined the handicaps of failing at school, being non-"White", living in run-down estates, and above all being cut off from a largely disintegrated worker community. The father experienced the worst of blue collar work: his son gets stuck in a poverty trap. Indifference or competition now rule, and develop a search for identity. It will take new struggles for fraternity to rebound. (Another aspect of world fragmentation is that today's xenophobia is often regional: Vlaams Belang in Belgium, Lega Nord in Italy, ETA in the Basque country...).

When labour flows evade State management, central power reacts by barricading itself: a wall between

Mexico and the US, barriers between Yemen and Saudi Arabia, military supervision of the straits of Gibraltar and Italian coasts... In 1960, the Berlin wall that prevented East Germans from going for a better life in the West was an admission of defeat on the part of the authoritarian planned capitalist variant in its competition with its more efficient democratic rival: now it's the West that wishes to prevent non-Europeans from having access to its benefits.

Globalisation is tantamount to free circulation of capitals, of commodities, of ideas, and yet tries to block the circulation of the commodity on which all others depend: labour. Sooner or later capitalism will have to solve this contradiction. Walls won't stop humans.

The worst of all possible worlds

The famines that devastated India are gone for the moment, and statistically recorded misery has decreased. But the illegal and semi-legal slums that house a large part of the 16-18 million inhabitants of Bombay are there to stay: one more million people come to that city every year because they expect job, sanitary and school conditions less bad than in the countryside. Some observers interpret Asian and African **over**-urbanisation as a sign of (forced but accepted)

adaptation to modernity. Possibly, with a difference: in 1950 and 1960, the young Indian capitalism gave itself the task of building "real" lodgings for all one day. Now slum clearance is no longer on the agenda. In Latin America, as it's impossible to transform the *favelas* into council estates, authorities provide them with some primitive road networks and with water and electricity mains, often run by mafia-like gangs, yet sometimes also managed by participatory democracy. There's nothing new in social regulation organising itself according to rifts based on birth, region, caste or religion. The novelty is that this makeshift approach is now becoming the rule. Social reunion is achieved through division.

For the first time, more humans live in towns than in rural areas, and the acceleration rate differs from the 19th and 20th centuries' drift from the land. Fourteen towns already have a shanty-town with over one million people. Here again, nothing that capitalism can't stand as a socio-economic and political system, but the question is how close it is getting to breaking point.

Imperial Rome (with its one million inhabitants) was the oversized parasitical head of a body it fed upon and had to expand to feed itself. Eventually the empire overstretched to the point when it could no longer be

sustained. But the Roman world crisis went on for centuries because no other urban centre was able to question Rome's hegemony. Modern industrial civilisation multiplies rivals and speeds up their ascent.

Towns' functions change. From the 18th century onwards, European cities were a meeting place for labour supply and demand. Nowadays urban development is largely disconnected from economic growth. People no longer come to town to get a job. They may get it, or may not. They move to town to live less badly than in a de-structured countryside. The city is now less of a labour pool than a place to make do with a (more tolerable) poverty that's bound to repeat itself, because a large part of this available labour force won't be hired, and is doomed to remain a human surplus, an overflow with few outlets.

Modern urban sprawl does not just feed on its immediate and distant outer circles, it tends to devour itself. Certain typical features of Lagos, Mexico City (which has the largest slum in the world: 4 million people) or Sao Paulo are now to be seen in so-called rich countries, and not just in Los Angeles: social Darwinism in impoverished districts, informal and underground economy, ethnic secession, bunkerised upper classes, gated communities, privatisation and militarization of

public areas, therefore a reinforced social polarisation, often in the absence of class struggle. The integrating role of the shopping street is often gone (quite a few shopping streets are gone, too). Social groups only cross paths in the supermarket or multiplex queues. Such a situation has nothing radical in itself: a social rift is never enough to cause revolt, let alone revolution. But it is negative (and possibly explosive) for capitalism. The 1900 Paris *Apaches* and the 1960 English Teddy Boys were successfully dealt with because there existed job opportunities: marginal behaviour was kept within bounds that did not conflict with overall stability. The predicament changes scale when whole blocks of flats live more on welfare and semi-legal activities than on wage labour. Segregation aggravates the conditions of value production.

No system can indefinitely make law and order the main social stabiliser. Riot police and security guards in Europe and North America, death squads and private militias elsewhere, won't do. Capital's profitability implies the capacity to draw together those human beings that capital dominates, the capacity to provide them not just with food and cell phones, but also with a minimum of collectiveness, hence with a socially decent measure of meaningful town life.

Ecology: an inconvenient truth

Nobody knows by how many degrees average temperatures will go up (or have already gone up), nor whether carbon dioxide contributes more than methane to global warming. What we know for sure is that mankind plays a big part in the evolution of climate. The most modern way of life promoted by capitalism, and still presently presented as the most desirable, i.e. a car for each adult, a house per family, with a swimming pool and an evergreen lawn, was never intended for everybody, and we all know that such wealth has always needed a lot of poverty in the vicinity (preferably not too close). The charms of Delft meant that beside the canals painted by Vermeer, proletarians toiled in factories that we now say disgraced the environment.

When people regret that ecology remains a minor concern of nearly all governments, they forget that politicians logically act as the managers of society as it exists. Capitalism has its own ecology: it *does* take care of its environment, but only according to what capitalism is. The enterprise is at the core of the modern world. Unlike pre-capitalism when production is embedded in the rest of social life, and where there's no economy as such, each enterprise functions as a (theoretically) closed-in

unit that takes as much and as cheaply as possible from what's exterior to it, and puts these elements to work in order to get the best possible profit: minimal input, maximum output. Once it has paid for what it uses (raw materials, machines and labour) and paid its taxes, an enterprise does not owe anybody anything, and is only remotely concerned with what goes on beyond its factory gate, its accounts book and tax returns. In traditional Black Africa, even today, everybody owes something (a bed for the night, a meal, a lift, some help) to a relative or a friend: *giving* still matters. On the contrary, it's part of the nature of capital (and one of the causes of its efficiency) that, unlike pre-capitalist societies or societies under "formal" capitalist rule, the economy exists apart from the rest of social life. Capital is only responsible for what it buys, produces and sells. Such "selfishness" does not result from bourgeois greed: it comes from the very nature of capitalism as an addition of separate units that meet on the market.
The only limit to this logic is historical and social. An 1850 mill owner would have been outraged at the suggestion that he should pay his workers when they were not working: "If they need money when they're jobless, ill or too old, let them save for it..." It took a century of worker pressure for the bourgeois to contribute to paid holiday,

unemployment benefits, pension schemes and what is now called social security.

This also applies to "natural" elements that exist outside the enterprise. There's no intrinsic reason why a social system should care more about bees or the icecap than about the pains or health of the human beings under its rule. Mere logic and ethic have little relevance here.

Still, like any other social system, capitalism must ensure that what it rules can go on living and reproducing itself, and it achieves this according to its own nature. Capitalism escalates into an ever more intensive exploitation of natural resources, uses up million-year-old coal and oil in a couple of centuries, taps the water table without renewing it, impoverishes the soil and then improves it by fertilisers that further deplete it but later enriches it by more chemicals. Capitalism constantly remedies the imbalance it generates by roundabout means that cause new imbalances which are remedied by more technology.

However damaging that process is, it makes good economic logic as long as it keeps one jump ahead of itself all the time. As industrial civilisation expanded worldwide, it gradually made use of the whole of nature and of mankind. But it could only reproduce itself if it left

on its outer rims vast natural and human resources which it depleted before moving on to other sources. As long as the system was limited to a fraction of the planet, it resulted in a mix of consumer bliss and human and natural disaster, but the contradiction could go on. If intensive farming creates a dust bowl, farmers change their methods or go and farm elsewhere. If a factory wrecks its surroundings, the locals are free to move. Nuclear power stations find poor countries where to dump toxic waste. 3800 casualties in Bhopal did not put an end to Indian chemical industries, nor to Union Carbide. The extinction of species and the drying of the Aral Sea do not stop the Earth or capital from going round. In the long run, however, over-destruction can jam the reproduction of capital and of its society. The exacerbation of production and consumption in old industrial countries, and the accelerated growth of emerging ones like China and India, bring about less manageable environmental contradictions...

....even less so in a society now based on minimum labour and minimum time. Prioritising obsolescence and the fast turnover of money, techniques, ideas, things and beings, means prioritising today at the expense of tomorrow. If we're entering the immaterial age, the materiality of future resources and energy sources looks

a much simpler problem to solve. Whoever thinks computers lead the world also thinks that this world, unlike the old days when factories devoured coal and steel, only needs a little electricity soon provided by the sun and the wind: a micro-turbine on my roof, a solar captor on my windowsill, and my laptop will never get switched off... Each society is a victim of its own myths. An economy which pictures itself based on knowledge, replaces reality by virtuality and substitutes the symbol manipulator for the worker, is incapable of facing its future. How could it act upon its own **re**production when it claims to be beyond cumbersome **production**? Nobody can beat capitalism in the short-term increase of productivity, but preparing for the future (including its own) will never be its strong point.

"Sustainable" growth is not an unprecedented concern. Capitalism has always had to sustain itself, and among other things to renew its energy sources, its raw materials and its labour force. Just as wages can't be durably kept under what is necessary to reproduce labour power (otherwise workers starve and have to be replaced by new ones, which was only possible in colonial countries), industry can't go on forever using non-renewable resources that are vital. We don't mean vital from an ethical, human or natural point of view, but

in the interest of the reproductability of the whole system. There comes a time when the general well-being of the planet, its human and animal inhabitants as well as trees or the Gulf Stream, etc., cannot be put aside as an external factor: it's got to be included in the input necessary to produce profitable output.

The energy problem points to the inability of our time to question its way of life. Contemporary capitalism fails to harmonise what it produces with the *profitable* energy sources required by that production. Its development model can't be extended to the whole world: yet it is expanding. There's no such thing as a collective capitalist brain, but in the aftermath of 1945, its strongest zones gave themselves the means to ensure a certain type of social relationship and a certain level of consumption. What was destructive but possible for one fiftieth of the human species won't work for the whole, or even for one fifth. Sixty years after the launching of the post-war boom, that system is structurally incapable of decelerating (that would contradict the logic of overaccumulation), and conjuncturally incapable of reforming itself (that would only be possible under the pressure of a dynamic capital-labour relation). A reversal of growth is incompatible with a capital so far unable to invent a new consumer society.

The rising cost of energy will weigh heavily on the present perpetuation of the system. Commodities will be more expensive to produce *and to sell*, because low cost depends on a "transport revolution" that more expensive petrol will jeopardize. Will the container ships full of made in Asia goods, the lorries that bring these goods to the supermarket, and the jet fleets with their tourist loads, still be profitable?

The individual motor car is perfectly adequate for a civilisation that glorifies the individual but, unlike in 1960, it is now more and more perceived as an indispensable burden (whereas the computer is an emblem of freedom: will it always be so?). It's interesting that California, that monstrous concentrate of our world, is now suing the big local car makers for creating a "public nuisance". Our contemporaries don't like what they do, but they keep doing it. Since the petrol engine private car will remain, for at least a decade or two, the necessary means of transportation of about a billion people, with a wage freeze and forced saving to pay for one's pension, there will be less money to spend at Sainsbury's or Virgin's. Car budgets will be reduced to the indispensable: the individual/nuclear family vehicle will lose its symbolic and affective value, and become more of a necessity like heating. In an age of increased

individualism, it's impossible for people to enjoy what they regard as the *freedom* to choose any film on pay TV and jump from one item to the next on the Internet, and then be content with public transport. We're not predicting the end of the motor car: we're pointing to a growing discrepancy between the contemporary way of life (and ideology) and capitalist profitability.
There's no technical problem capitalism cannot solve. Its limit is social. Its (enlarged, with accumulation) reproduction implies the reproduction of the human species and of life on Earth: as long as it exists, capitalism will reproduce them, in its own way, at the expense of millions of dead, maybe hundreds of millions, not because it's more evil than previous destructors, but because industry provides it with far more destructive powers. If life became impossible on the surface of the Earth, no doubt this civilisation would find ways for survivors to manage underground.

Capitalism only deals history and nature on its own terms, derived from its inner logic. It can change a lot (and it has), but its deep nature won't change. No human imperative or ecological emergency will be enough to compel it to give up its basics. Experts reckon that if it spent each year on ecology 1% of its total production, the world economy would avoid (otherwise inevitable)

losses of between 5 and 20% of that production. A serious family man would not hesitate long. Capitalism is not a family. The bourgeois react as bourgeois. They quite normally see ecology both as a new economic sector and as opportunities for industrial innovation. Pollution control creates tradable pollution rights which are bought, sold and speculated upon like any other product typical of globalised finance. The expansion of car traffic helps agro-business develop bio-fuels that use more fertilisers and create more CO2. If the greatest possible danger was threatening the world, capitalism, like any other system, but even more so because of its built-in inventiveness, would imagine all conceivable solutions, everything except its own suppression. Class societies in general and capitalism in particular never stop being what they are because they cause misery, war or catastrophes. A social system does not step aside because its continuation becomes self-destructive: it tries anything to keep going, to the very end and at all costs.

Is neo-liberalism already over?

Globalisation has been carried out in the name of freedom, of the free individual and free enterprise in regard to the State, even free from the unions'

hierarchical powers. Freedom identified with the making of personal choices, access to property and the pursuit of market risk. In practice, government has never renounced its economic role: tariffs, subsidies for farmers, interrelation between political leadership and big business, military spending, etc. Boeing needs the US industrial-military complex as much as Nokia needs the Finnish State to boost and finance Research & Development. It's one thing for innovators to pioneer the computer industry in their basement, but only central power has the means and the will to build and maintain the infrastructure necessary to any industry, and only central power can go beyond the (logically) narrow interest of bourgeois individuals and groups, initiate projects too big for private enterprise and provide micro-planning. As Keynes said, it is dangerous to let private initiative regulate investment flows.

Actually, globalisers do not reject all regulation, but prefer non-State regulation, based on negotiations between companies, cartels, big business agreements, contracts, tariff and trade rounds, and ad hoc bodies like the IMF, the WTO, i.e. private enterprise gone collective but independent of a specific territory and no longer responsible to a specific population or government. If the tendency to de-territorialisation is inherent to capitalism, the triumph of this tendency is detrimental to the other

aspects of capitalism, which cannot thrive in the vacuum of a borderless and Stateless planet.

The way some rivals of the US are now coming up on stage again is a practical refutation of an economic liberalism that claimed to turn the market into the best possible regulator. China, India, Venezuela, Bolivia, Russia... are getting stronger through strong doses of Keynesianism and give back the State its organising function. Whereas Yeltsin left private initiative (which meant ex-bureaucrats and gangster-managers) have big chunks of industry, Putin puts the State back at the centre of economic decisions, curbs the power of oligarchs (or oiligarchs), and uses petrol and gas as weapons against the Ukraine, Poland and Georgia.

We stand at the end of an (economic, political and cultural) "liberal" cycle. The supposedly free individual, especially in the form of an unrestrained economic "actor" asserting his own will on the market, causes problems for the social whole, and calls for authority, neo-regulation and neo-nationalism. The pendulum has already started to swing back the other way, the overtly "statist" way.

The rise of competition, combined with the necessity to address national, religious and identity conflicts, all laden

with risks of fragmentation, revives a supposedly defunct economic "patriotism". For example, the trans-nationalising process that's been at work for nearly thirty years will make European neo-protectionism even more aggressive than its past national predecessors.

Wars

The present world says the 19th and 20th centuries are dead and buried, but its antagonisms belie the illusion of pacifying trans-national modernity. Between 1914 and 1945, conflicts arose out of a competition for a region or for colonies. That process was still at work when the US and the USSR fought each other by proxy. The same cannot be said of the repeated bloodshed in (and around) Palestine, of the India-Pakistan feud, of the fighting in the Balkans, of the series of wars in Africa... which were born out of endeavours to grab a territorial slice, initiated by "ethnic" and/or religious identity, in any case by a group that claims a territory as its own. The aim is not so much to invade one's neighbour to get the upper hand, but to gather a space of one's own and to entrench oneself in it. In the past, imperialism (small or big) opened up to the exterior to conquer it. The objective is now to lock oneself in. We won't dispute here the validity of the theses that say the era of the

formation of nation-States was over in 1914 or in the 1970s, but a striking feature of the present situation is *pre*-national movements operating on a smaller and smaller scale. Germany is the only nation that has recently achieved its unity. Kosovo and (Iraqi) Kurdistan get a semblance of existence not by integration, but by separation.

In 1914 as in 1939 and after 1945, there were rival imperialist forces, with domination plans for at least a continent or a whole region, like Japan vying with Britain and the US for the Pacific. Now only the US has the means to act on a world scale, but without a project adequate to its overpower, and there lies the contemporary geopolitical predicament.

The deep cause of a war is exceptionally also the event that triggers it off. Armed conflict often occurs in spite of or against a large part of the wealthy, who (rightly) fear that war will result in their losing money and power. War happens when the political structure, born out of social structures but autonomous from them, goes into armed conflict with other States because it hopes to defend or promote its own interests as central power.

War is not inevitable because it would be necessary to destroy in order to rebuild: otherwise, it would be

enough to remake all buildings and roads every three years. If violence remains "the midwife" of historical change, it's because it shakes or shatters structures and habits. The New Deal created the framework that helped the US become the world arsenal of democracy in 1939-45, but the New Deal only finally proved its worth on the ruins of World War II. Keynes wrote *The End of laisser faire* in 1926, yet it took fifty million dead to force the planet into a reorganisation of trade and currencies. Nothing prevents democracies from going to war against each other. In the 17th century, Britain fought the Netherlands which for a while came close to being the first European power. Later Britain confronted the US at the beginning of the 19th century. Islamists were not the first to wreak havoc upon a US metropolis: in 1814, His Majesty's soldiers destroyed the Capitol and the White House, after US invaders had set fire to the Parliament of York (then Canada's capital) the previous year.

Thirty or forty years ago, one could reasonably regard the risk of a direct US-USSR confrontation as minimal, and think that the political rebirth of rivals like Germany and Japan (until then, political dwarfs) would eventually reopen the possibility of major imperialist conflicts. The analysis was right, except it did not expect the implosion of the Eastern bloc (and German reunification) would

come so soon, nor did it foresee the ascent of Asia. In 1995, documented surveys of globalisation merely included China in the "Asia" group, and were still more interested in South Korean and Taiwanese growth.

Europe and then the US have only dominated the world for about five centuries. Economists reckon that a thousand years ago, 2/3 of world production came from Asia, compared to 1/10 from Europe and 1/10 from Africa (and in 1700, 1/4 from China). Figures don't have the same meaning in 1000 and in an internationalised economy where the US and Europe each account for 1/3 of world output. The rise of Asia already modifies the balance of power.

The US now faces the risk of losing against what is no longer a Third World the social war they formerly won against the USSR and its satellites. The US, European and Japanese bourgeoisies were all too happy to find cheap labour in Asia. Now India and China are disrupting the globalisation pattern set by what were (and still are) the strongest capitalist countries. Asian multinationals have begun to buy chunks of big Western companies, and now penetrate the finance and banking sector. No sharing of the world is forever: in 1850, few envisaged the advent of the US and Germany as first rank powers. And no great power, and even less so a dominating one, ever

voluntarily (or peacefully) leaves the world stage: it does its best to delay its downfall, at the price of more convulsions, as Britain tried to do until the mid-1950s.

The interruption of the *first* globalisation coincided with a world war of then unheard-of proportions, the instability of the 1920s, fascism, Stalinism, and an even more devastating second world war. The pre-1914 globalisation was broken up by the conjunction of the crisis of three continental empires, of nationalities that were intermingled without being able to coexist: this uncontrolled collision between modernity and archaism created a thirty year "European Civil War". Surely the past never repeats itself. Yet, if the internationalisation of capital did not bring forth a peaceful world a century ago, today's "strategic partnerships" won't do any better. War is never the direct effect of economic competition. Neither millions of draftees in 1914-18 and 1939-45, nor the now smaller numbers of professionals go to war to restore a profit rate, to grab natural resources or to conquer markets. But competition is always carried on in some way or other in the political sphere and on the battlefield.

Behind the smokescreen of the "War on Terror", new (i.e. old!) plays are being staged. Al-Qaida won't threaten

US (or Russian, or Chinese...) power. "9/11", to use current newspeak, merely broke down the imagery of a post-Berlin Wall or post-USSR self-pacifying planet. The multi-polar world often wished for by European bourgeois is a surer road to war than the one-sided US hegemony they deplore.

What's back on the historical stage differs from the Cold War (however hot it was in terms of casualties) and from post-colonial conflicts kindled by the US-USSR rivalry: it's the prospect of war between large and medium powers, with the possibility of some level of nuclear strike. The exacerbated competition between ageing but still strong countries and ascending but unstable rivals gets us nearer to military confrontations. It's because China is about to be a big power while becoming socially unstable, that the risk of war is growing. As usual, the organisation of productive and institutional structures portends the organisation of destruction on a large scale. When well-wishers call for continental domestic markets, they pave the way for huge economic-political units, some of which will one day turn into blocs that will try and solve their internal and external contradictions by unleashing the potential violence contained in their industrial potentials.

The clash

Mankind *makes* its history in conditions it does not *choose*. Proletarians do not go beyond the possibilities given by each historical situation (bearing in mind that this situation does *not depend only* on them, but that they *contribute* to creating it, by their action or inaction).

Since 1980, worker defeat (highlighted by landmarks like the failure of the FIAT strike in 1980, the firing of thousands of striking US air traffic controllers the following year, the division and dislocation of the British mining community in 1984-85, etc.) has been confirmed: work intensification, unemployment, wage freezes, reduced social entitlements and pensions. But unlike ten or fifteen years ago, this worsening is met with a more systematic and more conscious resistance. One of the turning points was the UPS strike in 1997, a more recent one the mobilisation of up to 5 million migrant workers and supporters taking to the streets in about a hundred US cities (probably the largest ever worker demonstration in that country). There have been violent strikes, unlawfulness (real or staged) in the workplace, numerous wildcat strikes, huge demos against pension schemes from the Pacific to Western Europe, an

insurrectional situation in Argentina for a year, riots in China to the point of setting the factory on fire, strikes by Bangladeshi textile workers and Spanish metal workers, direct action in sectors often deemed incapable of self-organisation (hotel personnel, farmhands in Florida, Los Angeles cleaners, as well as jobless and temp workers), with a return of a discourse that targets "capitalism". (A special mention for *the revolt of the penguins* in Chile, 2006, when a million young people went on strike, occupied high schools and universities, repeatedly demonstrated and clashed with the police.) Nevertheless, this renewed militancy does not prevent these struggles from being mostly defensive... and more often vanquished than successful. Whereas formerly the workers threatened by the closure of the factory fought to maintain production and jobs, they now usually go for the highest possible redundancy money.

What the "68 and post-68 movement", not just in France, and probably more in Italy than anywhere else, set as its objective: *self-organisation*, has now become frequent (though by no means constant) practice on both sides of the Atlantic. While union and party machinery usually takes care of negotiations, the action properly speaking is taken on by its participants to a much bigger extent than a few decades ago. Militant strikes now often have their

own coordinating body outside union control, and Internet sites where the strikers speak for themselves. The Iraqi *shuras* (the Arabic word for councils or consultations) took possession of villages and towns, chased the bourgeois and policemen away and ran the place until the State army came back in force. Some Latin American rebels call themselves *auto-convocados* (self-organised). In 2001-2002, Argentinean proletarians self-managed hundreds of plants and set up communities based on the workshop, on neighbourhood self-help, on swaps and use-value bartering. As the Brazilian landless peasants say, "Occupy, Resist, Produce". The protracted insurrection of Oaxaca in Mexico, 2006, coordinated hundreds of thousands in a pyramid of grassroots collectives.

But the present movements make these forms their content. In spite of its dynamism, social critique has not superseded its limits: on the contrary, it treats them as its objective. What emerged in 1960-80 and tried to express itself in a few writings is the perspective of revolution as *communisation*: the withering of commodity exchange (we don't pay and get paid any more), the upheaval of agricultural and industrial productive systems and of the whole daily life, **as well as** the (inevitably violent) destruction of the State and its

social relays (otherwise, social transformations would be little more than an "alternative" endeavour within a continuing capitalism). Still, that stand hardly ever materialised, its theoretical expression remained confidential, even in Italy, 1977, and it has little social effectiveness thirty years later. In reality, what was the peak but also the termination of the proletarian surge in 1977: *autonomy*, is now the implicit programme of the 2007 proletarians.

True, compared to what it used to be, social critique now seems closer to communism. No one expects a rosy future from (even soviet-managed) mass electrification: in fact, most radicals today would rather have soviets *without* big power stations. It's common - and fashionable - to question industrial development, to wish for conditions of existence that aren't given to us from above, "top down", by a State or an expanding technical complex, but self-produced by a multitude of self-reliant horizontally connected communities. We would rejoice at such a vision, if it included a revolutionary perspective, but this is rarely so. This mental evolution reflects the evolution of a contemporary capitalism that cannot evade the issue of its own growth, in the same way as the dream of a mega-machine able to fulfil all our needs reflected the technological optimism of 1900 and 1950.

One common wisdom (or one illusion) has been replaced by another. Politicians praise *low carbon* development, the oil peak makes the news, and "quality" and "popular" papers alike prefer soft to hard technology. There's little merit in rejecting progress when the most lucid bourgeois are forced to face the excesses of capital accumulation. Communism may exist as a widespread desire for a Stateless, moneyless and wageless world, but it rarely goes beyond the reality of a desire,- hardly anymore than in former times, anyway.

People can obviously speak about communism without using the word, or even while rejecting the word. So let's not consider the vocabulary, but the content of what moves present radical minorities: the search for grassroots self-organisation. Though a DIY practice is clearly a condition of communist revolution, it says nothing about its content. Whatever vocabulary is used, today's radicality does not aim at a process that would fuse struggles against exploitation *and* alienation, critiques of poverty *and* of wealth, where the insurgents at the same time ask for what they don't have *and* refuse what they are being offered. There's obviously a contradiction here, between demanding and rejecting, but historical examples show this contradiction can be superseded. After 1969, a number of Italian workers

fought for higher wages and a control over the work process, while making impossible the normal running of the factory, even if this normality was the condition for their demands to be met. This ambivalence posed the problem of the self-suppression of the proletarian condition (and of capitalism). As this problem was just posed but left unsolved, the movement withered until the contradiction was finally resolved by capital's reorganisation.

Thirty years later, the situation has turned round. It's no longer the workers that endanger a profitable company and therefore their own survival as wage labour. It's when a company is about to close that the workforce sometimes decides upon destructive acts, or threatens to undertake them. Only those who feel that they have nothing to lose sometimes resort to direct violent action.

The French November 2005 "banlieue" riots and the anti-"CPE" wave (the CPE was a government plan to have more flexible labour contracts for the young) a few months later originated from a common cause: the situation of labour that results in large scale unemployment among those with no proper schooling, and in casualised jobs for many of those lucky enough to get into university. But the two categories reacted on

parallel lines that rarely met. Besides, there were very few links between anti-CPE demonstrators and working people, especially those in the private sector. In 1968, the critique of the university widened into an overall critique: student unrest wasn't just beside the general strike, it was part of a whole. For some workers (a minority, albeit an active one), the university served as a meeting place. There are no forces today that could produce such a conjunction.

In other words, if the conditions exist for a wide social movement in the next five or ten years, within the so-called rich countries, probably joining upheavals in Asia, those conditions are not favourable to revolution.

We're not theorising the likely coming of such a movement because of an aggravated degree of exploitation or oppression: German and Russian proletarians did not rise up against Hitler and Stalin (they'd risen *before*, had been defeated and forced into mainly passive resistance). This is not the case with European and US labour, nor with Chinese workers who've already started to get organised. The labour-capital relationship is too compressed today, too tense for it not to rupture like an over-tight spring that snaps. Labour is regaining its blocking power against an

evolution that downgrades the heavy plant driver as well as the schoolteacher and the call centre employee.
But if a thirty-year defeat does not prevent resistance and solidarity, it weighs heavily on the content of that resistance, and on the understanding by the proletarians of their role in society, and of the possibilities given to them by this solidarity. Success leads to a feeling of success and to more success. Defeat breeds a feeling of defeat that worsens defeats. It's not the communist perspective that will prevail in the movements to come, it's autonomy. For the better (grassroots initiative and coordination, widespread circulation of subversive acts and ideas), as for the less positive (the creation of bodies that will freeze initiatives while pretending to consolidate them, debates that become an end in themselves): collectives, horizontal networks and coordinations in Rome or Madrid, freedom of speech and (re)emergence of unions in Peking. In other words, democracy will rule, including direct or radical democracy.

Before we call it a day

The reader who's gone this far is now familiar with our "method", which we'd like to make a bit more explicit before reaching our conclusions.

There's a paradox in revolutionary thinking. Marxists like R. Luxemburg took an active part in what was a large socialist worker movement (whatever we now know of its shortcomings), **and** they theorised the possible or likely coming of a final crisis. But the latter was no substitute for the former. The description of large scale inevitable crises showed the catastrophic course of capitalism: it strengthened what was perceived as an already existing struggle to destroy that system, but the crisis was not conceived of as *the cause* of the struggle. A couple of decades later, after the failure of revolution in Russia and elsewhere, breakdown theories took on a very different character, emphasising the final crisis in the absence of and *in lieu* of mass revolutionary action. After Leninist substitutionism (the party would make the revolution that the proles were reluctant to make), there was another substitutionism: the ultimate crisis would force the masses into action. As communist groups became disconnected from practical working class movements, theorising "the" crisis took the place of impossible radical action.

No revolution is born out of a peaceful thriving society where antagonisms are inactive. But it's doubtful it will come out of abject misery or chaos. Large scale unemployment, mass destruction, famine, ecological or

nuclear catastrophe provide conservatives and reformers with the ideal weapons to act as the restorers of a minimal order that will help the greater number to survive. Inasmuch as we learn from history, revolutionary endeavours occur at the breaking point of a relatively prosperous cycle, when the conditions of a system of production (and its socio-political environment) start to crack, when the ability of the system to fulfil the needs and expectations of its two structuring classes enters a phase of diminishing social returns, and creates the possibility of a critique of forced poverty as of promised and offered affluence.

We're not waiting for an economic slump. Big drops in production, trade and income indexes are more (massive, no doubt) effects than causes, and in themselves do not tell much about the evolution of the system.

Neither are we are looking for a breakdown in the enlarged reproduction cycles as exposed in *Capital*'s volume II and much debated later, often with equations and figures that look very impressive: once history is turned into equations, it's simple to make the equations balance. These schemes can be useful for the case study of a particular firm, or of an economic sector dominated

by a few oligopolies. But they have little relevance for capitalist society as a whole.

The only meaningful reproduction is historical. The decisive factor is the proportion or disproportion between the fundamental elements of the society ruled by capitalism. There's no objective limit here. Labour may go on accepting its lot with 10% unemployed as with 1%, and the bourgeois can go on being bourgeois even if the "average" profit rate goes down to 1%, because global or average figures have meaning for the statistician, not for social groups. There are times when the bourgeois will accept a 1% or 0% profit if he hopes thereby to continue being a bourgeois, and times when 10% is not enough, and he'll risk his fortune and position to get an unsustainable 15%. Capitalism is ruled by the law of profit, and its crises by "diminishing returns", but this diminishing can hardly be quantified. This is why there have been few figures in an essay that wishes to assess the social equilibrium between the components of the system. This means an understanding of how these components add up into a way of life which is neither a superficial nor purely subjective reality: it's the daily expression of a social pattern, and contributes to its running smoothly, or its malfunctioning because of too many tensions between groups (obviously reflected

within individual behaviour): then the break-even point becomes a breaking point. We're well aware that this is treading on slippery ground, but there's no way this dimension can be bypassed.

A crisis on the way

Capitalism is not on its last legs. Present world growth indexes are higher than any time since the 1960s. Our problem is not to deny capitalism is running, but to see where it's running, and what it's running from. Only one chapter of capital's social re-engineering has been written: the taming of the proles, of their radical fringe as well as of their reformist majority, but without a corresponding restructuring of the productive system and of the social life that goes with it. Undoing the proletarian community in the work place, in the street and, last but not least, in the Law and in collective imagination, was necessary and insufficient. Every major capitalist crisis achieves what Schumpeter called *creative destruction*. This time, it's more destructive than creative. It lacks a renewal of the wage relationship, that will reset the place of labour in this society and give it meaning (a capitalist one, needless to say) in everybody's life. The return of growth goes together with turbulence: crisis in Asia, collapse in Latin America, e-economy

crash... Trade is booming, production is up, without producing enough value and enough profit.
The destabilising tendencies we've described could keep going, if each of them was acting on its own. But they interplay, and combine into an intractable multilayer contradiction. Labour cost-cutting slows down mass consumption. Asian development damages Western technological superiority. Lower public spending increases social tensions. A fairer deal for labour would aggravate the lack of profit in the short term. The downturn of throwaway culture would go against mass production. Re-industrialising Western Europe and North America would stir up conflicts between bourgeois groups. Mastering the harmful effects of over-industrialisation on the environment (and therefore on the perpetuation of the whole system) implies drastic measures hardly acceptable by capitalism in its present state. Even if we rule out the (impossible) option of a world government, any serious agreement between the major powers, for instance to decrease global warming, is unlikely because of the tensions within these powers and between them. The countries which would be strong enough to impose a curb on resource and energy waste are the same, in Europe, in North and South America, and in Asia, which need to increase their industrial (and military) potential.

Of course, *all* these elements won't pile up to produce a "crash and clash" scenario, adding at the same time a collapse in share prices in London, German industry brought to a standstill, the explosion of US debt economy, queues at soup kitchens everywhere, a few ecological disasters, and to cap it all a couple of ungovernable Chinese provinces. More simply, we argue that today the components of the system no longer converge in a dynamic balance: they oppose each other, and the reproduction of the system might overheat and become unworkable.

A climatic or social breakdown is often enough to sound the return to reality: what seemed so strong because entrenched in steel and concrete, and so flexible because digitally-managed, is proved vulnerable overnight. The march to the Rumanian capital of thousands of miners (by no means communist) reminds us that so-called archaic sectors of labour can still make politicians shake in their boots. A huge power-cut switches off the fridges and computers of several million North Americans. A storm brings thousands of French homes back to pre-electricity times. When angry lorry drivers besiege petrol depots, the government takes war-like measures. A three week railway strike brings to a halt part of the French economy. Contrary to what we're told, not only labour

(including work done on a computer) has not lost its disruptive potential, but its ability to block, to push forward or to transform society is greater than in 1848 or 1917.

If the crisis got what Marx called its "entry ticket" from a large social clash of the type envisaged in the previous paragraph, its scope and outcome would be quite different from a crisis that would originate in a stock market crash, for instance. Because it's at the heart of the system, labour would force it to take more central and far-reaching solutions which capital would be incapable of postponing.

A French economist recently argued that *the 1930's crisis lies ahead of us*. For what figures are worth, there were 40 million unemployed in the West in 2003, as against 30 million in the industrial countries in 1933. The 2003 statistic would be much higher with the 1933 criteria: jobless categories should include the student who is studying to delay his signing on at the employment agency, the trainee who is just an unpaid worker for a few months before getting the sack, the forcibly early retired, the temp worker who needs a full time job he can't get, not forgetting the invalid who's called an invalid because it's the only out-of-a-job category he fits in, as is often the case in Northern Europe. Between

1929 and 1933, US shares lost 80% of their value: in 2000-2003, the fall of the e-economy swept aside 50%. However, a future crisis will not be a milder or worse repetition of 1929. The mass of objectified labour, of what is commonly called the wealth of our societies, is incomparable with that of the 1930s: therefore the reality and the feeling of loss will be qualitatively different. In Germany, 1930, 5 million unemployed amounted to 30% of the working population, whereas they now would stand for only 10%, and Keynesian safety nets haven't all been torn to shreds. What matters is that the mass of "living" and "dead" capital to dispose of in order to restore a sufficient profit ratio will entail an unprecedented crisis...

...which guarantees no communist endeavours. All changes aren't revolutionary changes, and all crises aren't favourable to revolution. We can't hope for the crisis of capitalism (that is, of interlinked capital and labour) to solve the crisis that the communist movement has been through... for quite a while. No historical reality is radical in itself. Even less so when struggles, in spite of their resurgence, remain fragmented and contained. Argentinean insurgents had little impact on other Latin American proletarians, and about none elsewhere. The bourgeoisie can still act without restraint, and go along in the midst of aggravated contradictions, since nothing

questions it. And it's because nothing has questioned it for a long time that it has become what it is now and keeps the initiative, even in a negative way.

Strictly speaking, capitalism does not exist, or simply as a useful mental abstraction. There only exist men and women selling their labour power to bourgeois with (ir)rational impulses that can precipitate disaster. After 1929 Black Thursday, despite plummeting share indexes, wise observers advised against selling, because panic would speed up a downward spiral detrimental to everybody. Still, dozens and then hundreds of thousands of shareholders decided to sell, causing a general drop in prices and their own ruin.

Globalisation has been a very partial remedy to a twofold crisis: a "classical" crisis of the conditions of value production and accumulation, caused by the end of a certain compromise between labour and capital; and a "civilisation" crisis, connected to the former, caused by the unbound industrialisation and mercantilisation which have given capitalism its impetus for two centuries, but which capitalism must now master to perpetuate itself. The conjugation of these aspects probably explains why the two main protagonists, the bourgeoisie and the proletariat, are reluctant to take a plunge that involves so much. Hence the free-wheeling bourgeois led by the

narrow interests of finance, and the proletarians' divided self-defence.

All pivotal periods produce a central group, which is statistically in a minority but socially acts as a driving force, among the proletarians (as among the bourgeois), and which the majority of the proletarians (and on the opposite side: of the bourgeois) can identify with. For example, in 1970, the unskilled "mass worker" versus the factory manager. Neither the casualised underdog nor the globalising financier now play the part of similar driving forces.

We have no desire nor talent to play the prophets of doom. Everything we've described has been going on for years. Taken separately, each single contradiction we've surveyed would not be enough to unsettle the whole system: it's the interaction that matters, and its cumulative effect. Classes don't play chess: they only sort out their contradictions under heat, and only after they've carried their experiences through. Our hypothesis is that we're nearing the point when quantitative build-up asks for qualitative change, when incompatible contradictions must be solved. No class deadlock has ever been unlocked peacefully. Owing to the general level of class struggle, it will then be truly "midnight in the century", and only later will communist

revolution be able to exist as a historical question. More digging for the old mole...

For a little further reading

On *formal* and *real* domination of capital: Marx, "unpublished 6th chapter of *Capital*". One of the merits of these pages is to help get rid of a habit which goes back to the 1970s, and consists in saying and writing *capital* for *capitalism*. That turn of speech was born out of an excellent intention: to react against equating capitalism with the bourgeois, and to emphasise the impersonality of a system that derives its logic and strength from the movements of competing sums of value tending to valorise themselves despite all opposition. Unfortunately, to define capital only as valorisation is to forget that valorisation happens by a social encounter between human beings structured in two classes, however difficult it is to delimit the outline of classes. Capitalism is not capital: it's the interaction of capital and labour.

On the history of capital and labour: B. Silver, *Forces of Labor. Workers' Movement & Globalization since 1870*, Cambridge UP, New York, 2003; G. Arrighi & B.

Silver, *Chaos & Governance in the Modern World System*, University of Minnesota Press, 1999.

In *Historical capitalism* (1995), I. Wallerstein describes the part played by semi-proletarians as a major source of valorisation and an asset of capitalism. In *The Decline of American power* (2003), he argues that, as this source is swept away because globalisation tends to completely proletarianise the human species, the whole system will soon be unable to reproduce itself. In other words, capitalism makes itself impossible when it becomes universal and total. Interesting as it may be, this new version of the "final crisis" is as enticing and wrong as the former versions.

On capitalism and Nazism: I. Kershaw, *The Nazi dictatorship. Problems and perspectives of interpretation*, and his two-volume biography of Hitler.

On "State capitalism": "What was the USSR?", in *Aufheben* # 6,7,8,9. To put it bluntly, in the Castoriadis-Socialisme ou Barbarie versus Bordiga debate, Bordiga was right. But let's remember that in 1950, because of the rise of the USSR as a mighty rival of the USA, and the coming to power of the CP in China, it was tempting to see planned economy and bureaucratic rule as the future

of capitalism. And not just among Marxists or ex-Marxists. The idea that private enterprise (and the entrepreneur class) could no longer foster innovation and manage capitalism was central to Schumpeter's *Capitalism, socialism and democracy* (1942). The *1984* type scenario of a world divided between two (or three, in Orwell's novel) superpowers also implied the belief in the superior efficiency of planning over market rule. Actually, unless another class society replaced capitalism, competition remains at the core of the existing system, and prevents the durable existence of such stable centrally-organised and State-controlled blocs as Oceania, Eurasia and Eastasia. The totalitarian State is or was (wrongly) supposed to have mastery over its social and economic contradictions.

The notion of a first globalisation is in S. Berger's book (2003) that bears this title in French.

On Fordism, Mattick's *Marx & Keynes. The Limits of the mixed economy*.

In R. Mc Liam's *The Dispossessed* (1st edition, 1992), D. Wylie's photographs of the London East End, Belfast and Glasgow show that contemporary misery runs much

deeper than low income, bad housing, etc.: the deprivation, the despondency, the social void of his portraits and street scenes are the visible form of the decay of working class communities.

On profits and deflation, a stimulating "bourgeois" outlook: J.-L. Gréau, *L'Avenir du capitalism*, 2005.
On the West and the East: R. Fisk, *The Great War for Civilisation*, 2005 and 2006; L. Wright, *The Looming Tower. Al-Qaeda & the Road to 9/11*, 2006; A. Rashid, *Taliban: Militant Islam, Oil & Fundamentalism in Central Asia*, 2001.

On religion today: *The Continuing appeal of Religion*, troploin, 2006. (We're not referring to our own texts because we regard them as indispensable, but simply because we are trying not to repeat ourselves.) V.S. Naipaul's *Beyond belief* describes various facets of Islam in Indonesia, Iran, Pakistan and Malaysia in 1995-97. He shows that the contemporary rise and rebound of religion (and its anti-communist role) derive more from a multitude of "moderate" attitudes than from extremist actions, however spectacular the latter may be.
The title of the section "The worst of all possible worlds" is borrowed from the French translation of Mike Davis' *Planet of Slums* (2006). For a description (devoid of

class analysis) of a monstrous yet self-perpetuating city: S. Metha, *Bombay. Maximum city*, 2005. On the search for autonomy in 1968, a good first-hand account: F. Perlman, R. Grégoire, *Worker-Student Action Committes. France 1968*. Stimulating ramblings: *Wanderings & Meanderings. Freewheeling Reflections on Latin America* (2006).